

DRINKING WATER BOARD
PACKET

MARCH 5, 2009

ST. GEORGE, UTAH

AGENDA
FOR THE
DRINKING WATER BOARD
MEETING
OF
MARCH 5, 2009



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of Environmental Quality

William J. Sinclair
Acting Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
William J. Sinclair
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING

MARCH 5, 2009
2:00 p.m.

Place: Dixie Convention Center
1835 Convention Center Drive, (Garden Room)
St. George, Utah 84770

Ken Bousfield's Cell Phone #: (801) 674-2557

1. Call to Order – Chairman Erickson
2. Roll Call – Ken Bousfield
3. Introductions – Chairman Erickson
4. Approval of Minutes – January 14, 2009
5. Financial Assistance Committee Report – Vice Chairman Myron Bateman
 - 1) Status Report – Ken Wilde
 - 2) Project Priority List – Ken Wilde
 - 3) Draft Intended Use Plan for FY '09 Capitalization Grant – Ken Wilde
 - 4) SRF Applications
 - a) Sigurd Town – Planning – Gary Kobzeff
 - b) Hideout Town – Planning – Gary Kobzeff
 - c) Central Iron County WCD – Ken Wilde
 1. Application Request for \$3,910,878
 2. Application Request for \$3,378,065
 - d) Dutch John – Jesse Johnson
 - e) Hinckley Town – Deauthorization – Rich Peterson
 - f) Deseret Oasis SSD, Hinckley Town, Delta City – Rich Peterson
 - g) Other Business
6. Cross Connection Control Commission Members Renewal – Kim Dyches

7. SB 70 Adjudicative Proceedings – Ken Bousfield
8. Engineering Rule Amendments – Bob Hart and Bill Birkes
 - a) R309-105-6(2)(b): Submission Items Associated with Exception Request
 - b) R309-110-4: Master Plan Definition
 - c) R309-500-5(2) and 500-6(3)(a) & (b): On-going O&B and Waiving of Plan Submittal
9. Rural Water Association of Utah's Report
10. Chairman's Report – Chairman Erickson
11. Directors Report
 - a) Election of Chair and Vice Chair for 2009
12. Letters
13. Next Board Meeting:
Date: Early April , 2009 Date to be Determined
Time of Board Meeting: Time to be Determined
Location: 168 North 1950 West
Room to be Determined – when the Date is set
Salt Lake City, Utah 84116
14. Other
15. Adjourn

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.

AGENDA ITEM 4

APPROVAL
OF THE

JANUARY 14, 2009
MINUTES



State of Utah

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Executive Secretary

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON JANUARY 14, 2009 IN SALT LAKE CITY, UTAH

Board Members Present

Anne Erickson, Chairman
Myron Bateman, Vice Chairman
Kenneth Bassett
Daniel Fleming
Jay Franson
Helen Graber, Ph.D.
Paul Hansen
Petra Rust
William Sinclair
David Stevens, Ph.D.
Ronald Thompson

Staff

Kenneth Bousfield
Ken Wilde
Ying-Ying Macauley
Rich Peterson
Julie Cobleigh
Michael Grange
Jesse Johnson
Gary Kobzeff
Bob Hart
Don Lore
Patti Fauver
Kate Black
Bill Birkes
Michael Georgeson
Sandy Pett
Linda Matulich

Guests

Scott Paxman, Weber Basin WCD
Randy Williams, Salt Lake City/Cty Health
Brooks Cope, Pine Valley Water
Steve Sheffey, Dugway Proving Ground
Jerry Mason, Dugway Proving Ground
Keith Hanson, Town of Alta
Thayne Clark, Town of Alta
Kate Black, Town of Alta
Gary Durrant, Metropolitan Water District
Eric Sorensen, Metropolitan Water District
Rod Mills, Central Iron County WCD
Steven Jones, Hansen, Allen & Luce
Kelly Crane, Nolte Engineering
Kelvin Thacker, Blanding City
Chris Webb, Blanding City
Shannon Rasmussen, Rural Water Association
Clyde Ludvigson, Rural Water Association
Dale Pierson, Rural Water Association
Scott Archibald, Sunrise Engineering
Jeremy Jensen, Sunrise Engineering
Doug Nielsen, Sunrise Engineering
Mike Grunig, Hyde Park
Carlos Jessen, Mayor, Kingston Town
Ryan Brindley, Kingston Town
Kendra Norman, Corinne City
Richard Nimori, Mayor, Corinne City
Greg Seegmiller, Corinne City
Janice Panichello, Utah Dept. of Health
Jerry Goodrich, Tridell LaPoint Water
Russ Vernon, Tridell LaPoint Water

ITEM 1 – CALL TO ORDER

The Drinking Water Board meeting convened in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 12:05 p.m.

ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Board members. The roll call showed there were 11 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES – November 12, 2008

Chairman Erickson stated a motion was in order to approve the November 12, 2008 Drinking Water Board minutes.

Danny Fleming moved to approve the November 12, 2008 Drinking Water Board minutes.

Petra Rust seconded.

**CARRIED
(Unanimous)**

ITEM 5 – ARSENIC EXEMPTION PUBLIC HEARING

Chairman Erickson opened the Arsenic Exemption Public Hearing.

Patti Fauver read an Arsenic Exemption Standard Opening Statement for the Public Hearing.

Discussion followed.

1. Beaver Dam Water Company

Patti Fauver addressed Beaver Dam Water Company's Arsenic Exemption.

Ron Thompson moved the Drinking Water Board approve Beaver Dam Water Company's 2 year Arsenic Exemption.

Ken Bassett seconded.

**CARRIED
(Unanimous)**

2. Dugway - Ditto

Patti Fauver addressed Dugway – Ditto’s Arsenic Exemption.

Myron Bateman moved the Drinking Water Board approve Dugway – Ditto’s 2 year Arsenic Exemption.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

3. Elberta Water Company

Don Lore addressed Elberta Water Company’s Arsenic Exemption.

Paul Hansen moved the Drinking Water Board approve Elberta Water Company’s 2 year Arsenic Exemption.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

4. Kingston Town

Patti Fauver addressed Kingston Towns Arsenic Exemption.

Mayor Carlos Jessen, Kingston Town, was available to answer any questions from the Drinking Water Board.

Petra Rust moved the Drinking Water Board approve Kingston Towns 2 year Arsenic Exemption.

David Stevens seconded.

**CARRIED
(Unanimous)**

5. Sherwood Water Company

Don Lore addressed Sherwood Water Company’s Arsenic Exemption.

Myron Bateman moved the Drinking Water Board approve Sherwood Water Company’s 2 year Arsenic Exemption.

Ken Bassett seconded.

**CARRIED
(Unanimous)**

6. Webb Well

Don Lore addressed Webb Well's Arsenic Exemption.

Ron Thompson moved the Drinking Water Board approve Webb Well's 2 year Arsenic Exemption.

Petra Rust seconded.

CARRIED
(Unanimous)

Patti Fauver asked the Drinking Water Board if they want to include a stipulation in the motion requiring the communities to report semi-annually to the Drinking Water Board.

Ron Thompson moved the Board authorize Beaver Town, Dugway – Ditto, Elberta Water Company, Kingston Town, Sherwood Water Company, and Webb Well to report semi-annually to the Drinking Water Board on the progress they are making on the Arsenic Exemption.

Petra Rust seconded.

CARRIED
(Unanimous)

ITEM 6 - SRF/CONSERVATION COMMITTEE REPORT

1) Status Report

Ken Wilde reported EPA published a list of the Drinking Water SRF Awards for Sustainable Public Health Protection last year. EPA picked Central Iron County Water Conservancy District to receive the award. EPA will visit the Central Iron County Water Conservancy District and present the award to them.

Ken Wilde mentioned the State loan fund has a balance of \$757,000. Staff received \$3,500,000 in repayments the first part of January.

Ken Wilde reported the Bear River Water Conservancy District, Escalante and Springdale loans recently closed.

Ken Wilde reported the Federal loan fund has a minus \$875,000. Staff should be receiving about \$4,000,000 today that would become effective the first part of this year. Staff will then have \$3,000,000 available in the Federal loan fund.

Ken Wilde mentioned that the cost estimate for the Erda Acres projects is a little over \$2,000,000. Erda Acres opened the bids. The bids came in at \$500,000 below the estimate. Some questions were raised on their bid opening procedures. Erda Acres should be able to close soon.

Ken Wilde said that St. George City is close to finishing their environmental work. St. George City, Ivins City and the Washington County Water Conservancy District have formed a partnership. Ken Wilde said Enoch City will close on February 19, 2009 if they stay on schedule.

2) Project Priority List

Julie Cobleigh reported four new projects have been added to the Project Priority List: Pine Valley Mountain Farms Water Company, Hyde Park City, and West Corinne Water Company - Corinne City. Julie Cobleigh mentioned staff received a request from Pine Valley Mountain Farms Water Company after the SRF Conservation Committee's conference call. Pine Valley scored 100 points in the emergency category.

Julie Cobleigh stated the SRF/Conservation Committee is recommending the Drinking Water Board approve the updated Project Priority List.

Ron Thompson moved the Drinking Water Board approve the updated Project Priority List.

Jay Franson seconded.

**CARRIED
(Unanimous)**

2) SRF Applications

a) Discussion on Interest & the Hardship Grant Assessment – Ken Wilde

Ken Wilde said that per the Board's request to look at the language used in the loan authorizations and authorization letters, he spoke with EPA. We cannot call the Hardship Grant Assessment "Interest" or else it has to be treated as interest and put into the Principle Loan Fund when borrowers make their loan payments.

Therefore, Ken proposed the following language that could be used: "A loan with a 1.8% Hardship Grant Assessment per annum for 30 years to be paid into the Hardship Grant Fund". The Board can use the proposed statement and tailor it for each project individually.

Discussion followed.

b) St. George City – Michael Grange

Ron Thompson received a call from St. George City, saying they won't be able to attend the Drinking Water Board meeting today.

Michael Grange reported at the March 4, 2005 Drinking Water Board meeting, the Board authorized a construction loan for \$6,000,000 at 1.77% interest for 20 years. Staff is requesting the Drinking Water Board replace the assessed interest with a Hardship Grant assessment of equal rate. The loan will now have a 1.77% Hardship Grant Assessment per annum paid into the Hardship Grant fund. This will not change the amount St. George will pay back to the Board.

The SRF Conservation Committee heard St. George City's request and is recommending the Drinking Water Board authorize the change from the interest to the hardship grant assessment for the St. George loan.

Ron Thompson moved the Drinking Water Board authorize a 1.77% Hardship Grant Assessment per annum for 20 years, to be paid into the Hardship Grant Assessment Fund and reduce the interest rate to 0.0%.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

c) Blanding City – Planning – Rich Peterson

Danny Fleming left the meeting, due to a conflict of interest with Blanding City's application.

Rich Peterson reported Blanding City would like to update their master plan. The total cost of the project is \$48,000. Blanding City can contribute \$15,000 toward the project. Based on some new local income information (they did an income survey), the SRF/Conservation Committee is recommending the Board approve a \$33,000 planning grant to Blanding City. The compliance report will be deleted.

Chris Webb and Kelvin Thacker, Blanding City representatives, were available to answer any questions from the Drinking Water Board.

Chris Webb, Blanding City representative, addressed the Drinking Water Board.

Discussion followed.

Dave Stevens moved the Drinking Water Board authorize a \$33,000 planning grant to Blanding City to prepare a culinary water system master plan. Conditions include resolving the appropriate issues on their compliance report.

Petra Rust seconded.

**CARRIED
(Unanimous)**

Danny Fleming joined the Drinking Water Board meeting.

d) **AMENDED AGENDA ITEM** - Tridell LaPoint – Planning – Gary Kobzeff

Gary Kobzeff reported the SRF/Conservation Committee is recommending a \$10,000 planning loan to the Tridell LaPoint Water Improvement District. Tridell LaPoint has provided some additional information. Tridell LaPoint is requesting adding them to the SRF/Conservation Committee's evaluation process.

Tridell LaPoint Water Improvement District is planning on constructing a storage reservoir and a water treatment plant. Tridell LaPoint is receiving help from the Division of Water Resources and the Community Impact Board,

Jerry Goodrich and Russ Vernon, Tridell LaPoint Water Improvement District representatives, addressed the Drinking Water Board.

Discussion followed.

Jay Franson moved the Drinking Water Board authorize a \$10,000 planning loan to Tridell LaPoint Water Improvement District at 0.0% interest for 5 years, repaying \$2,000 annually. The planning loan repayments will begin one year from the date the loan is signed with the option that the Tridell LaPoint Water Improvement District may roll the balance of any loan principle into a future construction loan at the interest rate established when said construction project is authorized.

Ken Bassett seconded.

**CARRIED
(Unanimous)**

e) Veyo Culinary Water Association – Planning – Gary Kobzeff

Gary Kobzeff reported the Veyo Culinary Water Association originally requested a planning advance in the amount of \$35,650 to update their Culinary Water System master plan. The total estimated cost is \$50,650. Veyo didn't qualify for a \$15,000 grant they applied for from USDA Rural Development. Therefore, Veyo is requesting an additional \$15,000 be added to their planning loan. Their annual payment on the loan would be \$7,130.

Kelly Crane, Nolte Associates, Veyo Culinary Water Association representative, was available for any questions from the Drinking Water Board.

Discussion followed.

Jay Franson moved the Drinking Water Board authorize a \$50,650 planning loan to the Veyo Culinary Water Association at 0.0% for 5 years, repaying approximately \$7,130 annually, beginning one year from the date the loan agreement is signed, with the option that the applicant may roll the balance of any loan principle into a future construction loan at the interest rate established when said construction project is authorized. Conditions include resolving appropriate issues on their compliance report.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

f) Pine Valley Mountain Farms Water Company – Emergency – Michael Grange

Michael Grange reported Pine Valley Mountain Farms Water Company is a privately owned public water system, and supplies 57 residential connections. Pine Valley's drinking water well is their sole source, and it has failed. The cost to drill the new well is estimated at \$315,000.

Michael Grange reported the SRF/Conservation Committee is requesting the Board authorize a \$315,000 construction loan with a 2.0% per annum assessment paid to the Hardship Fund for 20 years with \$95,000 in principle forgiveness to the Pine Valley Mountain Farms Water Company. Conditions attached to this packet item will include resolving the appropriate issues on their compliance report and completing any source protection requirements for their new well. Pine Valley may have to haul drinking water before they can complete the new well and funding could be increased to accommodate the anticipated cost.

Doug Nielsen, Sunrise Engineering, and Brooks Cope, Pine Valley Mountain Farms Water Company representative, were available to answer any questions from the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize a \$315,000 construction loan with a 2.0% per annum assessment paid to the Hardship Grant Fund for 20 years with \$95,000 principle forgiveness (equivalent to a \$230,000 loan) to Pine Valley Mountain Farms Water Company. Conditions include resolving appropriate issues on their compliance report and complete any source protection requirements. Pine Valley may have to haul drinking water before they can complete the new well and funding could be increased to accommodate the anticipated cost.

Discussion on motion.

Paul Hansen seconded.

Ron Thompson amended the motion to include a \$10,000, but not to exceed \$10,000, if Pine Valley Mountain Farms Water Company has to haul any drinking water before the new well is completed.

Myron Bateman seconded the amended motion.

Discussion on amended motion.

**CARRIED
(Unanimous)**

g) Kingston Town – Rich Peterson

Rich Peterson reported Kingston Town's water tank is leaking. Kingston Town has 76 connections. Kingston Town's local MAGI is 55% of the States MAGI. Kingston Town's rates are over 2%. The SRF Conservation Committee is recommending a 50% grant of \$56,000 and a \$57,000 construction loan at 0.0% for 20 years.

Doug Nielsen, Sunrise Engineering, Mayor Carlos Jessen and Ryan Brindley, Kingston Town representatives, were available to answer any questions from the Drinking Water Board.

Mayor Jessen addressed the Drinking Water Board.

Danny Fleming moved the Drinking Water Board authorize a 50% grant of \$56,000 and a \$57,000 construction loan at 0.0% interest for 20 years to Kingston Town. Conditions include resolving appropriate issues on their compliance report.

Discussion on motion.

David Stevens seconded.

**CARRIED
(Unanimous)**

h) Hyde Park – Julie Cobleigh

Julie Cobleigh reported Hyde Park is requesting \$1,000,000 to construct a new tank. The new tank will replace 2 existing tanks that are deteriorating and inadequately sized. The cost of the project is roughly \$2,010,000. Hyde Park will contribute \$1,010,000 towards the project. Hyde Park does not qualify for principle forgiveness. The SRF/Conservation Committee recommends the Board approve a \$1,000,000 construction loan with a 2.97% hardship grant assessment per annum for 20 years to be paid into the Hardship Grant Fund.

Scott Archibald, Sunrise Engineering and Mike Grunig, Hyde Park representatives, were available to address any questions from the Drinking Water Board.

Jay Franson moved the Drinking Water Board authorize a \$1,000,000 construction loan to Hyde Park with a 2.97% Hardship Grant Assessment per annum for 20 years to be paid into the Hardship Grant Fund, with the condition that they resolve all the issues in their compliance report. A 1% loan origination fee of \$10,000 will be assessed, which can be absorbed by the authorized loan amount or paid by Hyde Park out of their funds at the time of the loan closing.

Petra Rust seconded.

**CARRIED
(Unanimous)**

i) Corinne City – Jesse Jackson

Jesse Jackson reported Corinne City is requesting \$3,632,750 in financial assistance to construct a 1 million gallon storage tank and replace 16,200 feet of 20 inch transmission line and 1,900 feet of 14 inch water line. The total cost of the project is estimated at \$3,953,170, with Corinne City contributing \$20,420 towards the project and another \$300,000 anticipated from a Community Development Block Grant. The requested funding package consists of a 100% construction loan with 21.8% principle forgiveness. Staff is proposing an assessment fee buy down of 1.09% to bring the rate to 1.8% per annum to help Corinne City, and the initial payment schedule be adjusted as the population grows so Corinne City can afford it.

Jesse Johnson mentioned the SRF Conservation Committee is recommending the Drinking Water Board authorize a \$3,632,750 construction loan with \$790,570, 21.7%, principle forgiveness to Corinne City with a 1.8% Hardship Grant assessment per annum for 30 years to be paid into the Hardship Grant Fund. The principle payments would be adjusted according to the financial assistance evaluations, included in the packet.

Mayor Richard Nimori, Kendra Norman and Greg Seegmiller, Corinne City representatives, were available to answer any questions from the Drinking Water Board.

Mayor Nimori addressed the Board.

Discussion followed.

Petra Rust moved the Drinking Water Board authorize a \$3,632,750 construction loan with \$790,570 (21.8%) principle forgiveness to Corinne City with a 1.80% Hardship Grant Assessment per annum for 30 years to be paid into the Hardship Grant Fund. The principle payments would be adjusted according to the financial assistance evaluations included in the packet. A 1% loan origination fee of \$27,420 will be assessed, and can be absorbed by the authorization loan amount or the City can pay from their funds at the loan closing.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

j) Hinckley Town Report – Ken Wild

Ken Wilde mentioned Donald Brown, Mayor of Hinckley Town, met with Sunrise Engineering on how they can cover the \$85,000. Hinckley Town has decided to turn down the loan previously authorized by the Drinking Water Board. Staff will bring a request to the next Drinking Water Board for the Board to deauthorize Hinckley's loan.

4) Consideration on Name Change – Ken Wilde

Ken Wilde reported the SRF/Conservation Committee is requesting a name change. The two most popular names are Financial Committee or Financial Assistance Committee.

Ken Wilde mentioned the SRF/Conservation Committee is recommending that the Drinking Water Board authorize a name change to the Financial Assistance Committee.

Discussion followed.

Ken Bassett moved the Drinking Water Board authorize the SRF/Conservation Committee's new name to be called the Financial Assistance Committee.

Anne Erickson seconded.

**CARRIED
(Unanimous)**

ITEM 7 – APPROVED DRINKING WATER BOARD MEETING SCHEDULE

Chairman Erickson asked the Drinking Water Board to review the 2009 Drinking Water Board meeting schedule. She then asked for a motion on the proposed schedule.

Discussion followed.

Myron Bateman moved the Drinking Water Board approve the 2009 Drinking Water Board Schedule as presented.

Helen Graber seconded.

**CARRIED
(Unanimous)**

ITEM 8 – RULES R309-700 AND 705: SET RULE EFFECTIVE DATE – Ken Wilde

Ken Wilde reported staff held several meetings and discussions, on Rules R3209-700 and 705. The Rules were approved. Staff posted the rules with the Division of Administrative Rules on October 13, 2008. No comments were submitted during the comment period. Staff is requesting the Board authorize staff to set an effective date to proceed with final rulemaking for Rules R309-700 and R309-0705.

Paul Hansen moved the Drinking Water Board authorize staff to set an effective date to proceed with final rulemaking for Rules R309-700 and R309-705.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

ITEM 9 – PROPOSED RULE AMENDMENTS TO: R309-800 – Michael Grange

Michael Grange reported staff has reviewed the Capacity Development Program Rule - R309-352. Michael updated the Board on the changes that have been made to Rule R309-800 and Rule R309-352.

Discussion followed.

Paul Hansen moved the Drinking Water Board authorize staff to proceed with the rulemaking process for Rule R309-800.

Discussion on motion.

Ron Thompson seconded.

Jay Franson amended the motion of: The Drinking Water Board authorize “staff to approve the rulemaking process” for the rule. The motion should read: The Drinking Water Board authorizes staff to “initiate” the rulemaking process for the rule.

Paul Hansen accepted the amended motion.

Ron Thompson seconded the amended motion.

**CARRIED
(Unanimous)**

Chairman Erickson directed staff to place this Rule on the work meeting agenda to be discussed at either the March 5, 2009 or the May 13, 2009 Drinking Water Board meeting.

ITEM 10 – PROPOSED SUBSTANTIVE RULE AMENDMENTS – Bill Birkes and Bob Hart

a) R309-500-6(3)(b) – Waiting on Plan Submittal Requirement

Bill Birkes mentioned he will be retiring from the State on March 16, 2009. Bob Hart will be the engineering representative on rule changes when Bill retires.

Bill Birkes reported on the substantive changes staff has made in Rule 309-500-6(3)(b) . Bill mentioned staff is requesting the Drinking Water Board authorize staff to start the rulemaking process and file the proposed rule amendments for publication in the Utah Bulletin on February 1, 2009.

Discussion followed.

Ron Thompson moved the Drinking Water Board table Rule R309-500-6(3)(b) to give staff more time to work in the suggested changes. Staff will bring Rule R309-500-6(3)(b) back to the March 5, 2009 or May 13, 2009 Drinking Water Board meeting for review and approval.

Petra Rust seconded.

**CARRIED
(Unanimous)**

b) R309-510-5 – Reduction of Sizing Requirement

Bill Birkes reported Rule R309-510-5 is on the Reduction of Sizing Requirement and establishes a reduction in the minimum sizing requirements. Since the Rule is very vague on what the confidence level means, staff has had a lot of discussions to clearly define what the confidence level should be. Bill updated the Drinking Water Board what staff has been accomplishing this Rule.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize staff to start the rulemaking process and file the proposed rule amendments for publication in the Utah Bulletin of February 1, 2009.

Petra Rust seconded.

CARRIED
(Unanimous)

Chairman Erickson excused Helen Graber from the Drinking Water Board meeting. She has a class to teach at the University of Utah.

c) R309-520-11 – Ozone Reference

Bill Birkes reported R309-520-11 is on the Ozone Reference. Bill reviewed the changes that staff has made to this Rule. Staff will bring Rule R309-520 back to the Board for final approval.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize staff to start the rulemaking process and file the proposed rule amendments for publication in the Utah Bulletin of February 1, 2009.

Ken Bassett seconded.

CARRIED
(Unanimous)

d) R309-525-11(b)(c)(v) – Day Tank Drain Requirements

Bill Birkes reported Rule R309-515 is on Conventional Surface Water Treatment. Bill reviewed the changes that staff has made to the Rule.

Discussion followed.

Petra Rust moved the Drinking Water Board authorize staff to start the rulemaking process and file the proposed rule amendments for publication in the Utah Bulletin of February 1, 2009.

David Stevens seconded.

CARRIED
(Unanimous)

e) R309-530-6(5)(c) – Filtration Rate Range

Bill Birkes reported Rule R309-530 is on Filtration Rate Range. Bill reviewed the changes staff has made to this Rule which are non-substantive.

Discussion followed.

Ken Bassett moved the Drinking Water Board authorize staff to start the rulemaking process and file the proposed rule amendments for publication in the Utah Bulletin of February 1, 2009.

Ron Thompson seconded.

CARRIED
(Unanimous)

f) R309-545-15(1) and (2) – Storage Tank Vent Design

Bill Birkes reported Rule R309-545 is on Storage Tank Vent Designs. Bill updated the Board on the changes staff has made to this Rule.

Discussion followed.

Danny Fleming moved the Drinking Water Board authorize staff to start the rulemaking process and file the proposed rule amendments for publication in the Utah Bulletin of February 1, 2009.

David Stevens seconded.

CARRIED
(Seconded)

ITEM 11 – INFORMATIONAL DISCUSSION ON SOURCE AND THE INSTANTANEOUS DEMAND FOR IRRIGATION IN DRINKING WATER REGULATIONS R309-510-7(3) AND HOW IT DIFFERS FROM WATER RIGHTS – Bill Birkes

Bill Birkes mentioned Paul Hansen asked about the difference between our numbers in the minimum irrigation requirement versus the Division of Water Rights numbers dealing with diversion or depletion at the November 12, 2008 Board meeting.

The Division of Drinking Waters numbers were generated around 1975, as a result of a “Technical Report No. 8” study completed by the State Engineers Office with the Utah State University Water Research Laboratory. Copies of the report are available on the State Engineers website.

Bill gave a detailed report on the Source and Instantaneous Demand for Irrigation in Drinking Water Regulations R309-510-7(3) and how it differs from Water Rights.

Bill asked the Board if they would like staff to work on Rule R309-545-5(10) to match it closely with the 1994 Report.

Discussion followed.

Bill Sinclair left the Board meeting.

ITEM 12 – STATUS OF ALTA’S ANTIMONY TREATMENT PLANT – Ken Bousfield

Ken Bousfield invited Keith Hanson and Kate Black to report on the status of Alta’s Antimony Treatment Plant.

Keith Hanson, Kate Black and Thayne Clark, Town of Alta's representatives, were available to answer any questions from the Drinking Water Board.

Kate Black, Town Clerk and Keith Hanson, representing the Town of Alta, addressed the Drinking Water Board. They updated the Board on their project. Kate and Keith thanked the Board and the Division for their help and assistance with their Antimony project they have been working on.

Keith invited the Drinking Water Board to attend their open house in September to dedicate their new Antimony Treatment Plant.

Kate mentioned the Town of Alta would like to have the ribbon cutting ceremony in September as a part of the Drinking Water Board meeting.

Bill Sinclair returned.

Discussion followed.

Jay Franson commented the Rural Water Association of Utah's annual conference would be an excellent place to advertise about the Town of Alta's new antimony treatment plant and the ribbon cutting ceremony that will be held in September 2009.

Shannon Rasmussen said Rural Water will work something up to hold during their general session on The Town of Alta's new antimony treatment plant.

ITEM 13 – RURAL WATER ASSOCIATION'S 2009 ANNUAL CONFERENCE

Ken Bousfield reported on the Rural Water Association of Utah's 2009 Annual Conference to be held from March 3 to 6, 2009 in St. George, Utah. The Drinking Water Board and the Division of Drinking Water are very involved with meetings, classes and training each year for this conference. For further help with the Conference registration, motels arrangements, cancellations, etc. Ken directed the Board members to contact Linda at (801) 536-4208 or email at lmatulich@utah.gov.

ITEM 14 – UTAH WATER USERS' 2009 ANNUAL CONFERENCE

Ken Bousfield reported on the Utah Water Users' 2009 Annual Conference will be held from March 9 to 11, 2009 in St. George, Utah. The Drinking Water Board is welcome to attend the Conference. For further help with the Conference registration, motel arrangements, etc. Ken directed the Board members to contact Linda at (801) 536-4208 or e-mail at lmatulich@utah.gov for assistance.

ITEM 15 – RURAL WATER ASSOCIATION OF UTAH'S REPORT

Dale Pierson addressed the Board.

Dale Pierson introduced Shannon Rasmussen and reported that she is the Conference coordinator. If any of the Board members have any questions about the conference, talk to Shannon.

The Drinking Water Board meeting will be held on Thursday, March 5, 2009.

The Drinking Water Board, County Representatives, Rural Water Association of Utah, and the Division of Drinking Water staff will be holding a County Planning meeting on Wednesday, March 4, 2009.

Discussion followed.

ITEM 16 – LETTERS

The letters are in the packet.

ITEM 17 – CHAIRMAN’S REPORT

Chairman Erickson welcomed Bill Sinclair, as the new Acting Director for the Department of Environmental Quality, and member on the Drinking Water Board.

Bill Sinclair addressed the Board. Bill thanked the Drinking Water Board for the outstanding work they do for the State.

Chairman Erickson thanked the Board members for having 100% attendance at the November 12, 2008 and the January 14, 2009 Board meetings. This was a great way to end 2008 and a good way to start 2009.

Chairman Erickson mentioned it would be nice if all of the Board members can attend the March 5, 2009 Board meeting and the Rural Water Association of Utah’s 2009 Annual Conference in St. George in March.

ITEM 18 – DIRECTORS REPORT

Ken Bousfield mentioned there are 6 Board members whose terms will expire in May 2009. Linda will e-mail the instructions to the Board members, in the morning, on how to fill out the resumes and forward it to the Governors website for consideration for reappointment.

a) Division Staff On-The-Spot Awards

Ken Bousfield mentioned the Division of Drinking Water started doing On-the-Spot Awards for staff last year at the Divisions annual Awards and Christmas Luncheon. Ken directed the Board’s attention to a staff listing of the On-Spot Awards.

Ken passed out the list of the 25 Drinking Worst Drinking Water Systems are, as well.

b) Status Report on the Congressional Economic Recovery Appropriation

Ken Wilde reported staff is working on the Congressional Economic Recovery Package. The majority party thinks they can have it on the new President’s desk by February 13, 2009 before they go on recess.

Ken mentioned what staff has been doing and working on with ASDWA, the National Governors Association, Rural Development, EPA, and the Rural Water Association of Utah on the Economic Recovery Package.

Ken said as soon as Congress passes the Economic Recovery Package, staff would like to call an Emergency Drinking Water Board Teleconference Meeting. Staff will report on all of the meetings, reports and activities they were involved in while working on the Recovery Package.

Discussion followed.

ITEM 19 – NEXT BOARD MEETING

Chairman Erickson reported the next Board meeting will be held on March 5, 2008.

ITEM 20 - OTHER

Chairman Erickson commended Ken Bousfield for the Annual On-the-Spot Awards for staff.

ITEM 21 - ADJOURN

Chairman Erickson asked for a motion to adjourn the Drinking Water Board meeting was in order.

A motion was made to adjourn the Board meeting at 3:25 pm.

The motion was seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary

AGENDA ITEM 5

SRF/CONSERVATION COMMITTEE REPORT

5. 1) STATUS REPORT – Ken Wilde

DIVISION OF DRINKING WATER
STATE LOAN FUNDS
AS OF JAN 31, 2009 - AFTER FINAL BOND PAYMENT

	5235	5240	
	Loan	Interest	
	Funds	(use for Grants)	Total
Cash:	\$2,813,755	\$1,386,847	\$4,200,602
Less:			
Loans & Grants authorized but not yet closed (schedule attached)	-4,782,300	-1,185,746	-5,968,046
Proposed loans & grants	1,025,000	-10,000	1,015,000
FY 2009 Federal SRF 20% match	-1,629,200		-1,629,200
Administrative quarterly charge for entire year	-138,600		-138,600
	-\$2,711,345	\$191,101	-\$2,520,244
Projected repayments during the next twelve months (FEB 2009 through JAN 2010)			
Principal	\$2,844,010		\$2,844,010
Interest		812,047	812,047
Projected annual investment earnings on invested cash balance		60,000	60,000
2009 Sales Tax allocation 2/1/09 - 1/31/10)	3,587,500		3,587,500
Total	\$3,720,165	\$1,063,148	\$4,783,313
* All interest is added to the Hardship Fee account.			

**DIVISION OF DRINKING WATER
STATE LOAN FUNDS
PROJECTS AUTHORIZED BUT NOT YET CLOSED
AS OF JAN 31, 2009**

Community	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
					Loan	Grant	Total
KCWCD-Long Valley Estates	3S119	4,580,950	Jul-08	Mar-09	1,025,000		1,025,000
Wales 0% 30 yr	3S120	460,000	Sep-08	Mar-09	210,000	250,000	460,000
Hinckley Town 2.54% 20 yr		85,000	Nov-08	?	85,000		85,000
Howell Town 3.13% 20 yr	3S116	95,000	May-08	?	95,000		95,000
Kingston Town	3S130	113,000	Jan-09	?	57,000	56,000	113,000
Loa 2.21% 10 yr	3S121	37,000	Sep-08	?	37,000		37,000
Neola 3.56% 5 yr	3S125	85,000	Nov-08	?	85,000		85,000
West Erda 0% 20 yr	3S074	760,000	Jun-04	?	380,000	380,000	760,000
							0
Subtotal Loans and Grants Authorized					1,974,000	686,000	2,660,000
PLANNING LOANS/GRANTS							
Enterprise (planning loan 0% 5 yr)	3S092	7,000	May-06	Jan-07	7,000		7,000
Wellington (pl loan 2% 5 yr)	3S104	40,000	Mar-07	Sep-07	40,000		40,000
Wales Town (pl 0% 5yr)	3S112	40,000	Jan-08	Mar-08	40,000		40,000
Paragonah planning grant	3S110	16,250	Sep-07	Mar-08		16,250	16,250
Manila emergency grant	3S122	100,000	Sep-08			100,000	100,000
Dixie Deer SSD (pl loan 0% 5 yr)	3S123P	10,900	Nov-08		10,900		10,900
LaVerkin planning grant	3S124	21,600	Nov-08			21,600	21,600
Apple Valley planning grant	3S127	18,000	Nov-08			18,000	18,000
Tridell-Lapoint planning grant	3S126	10,000	Jan-09			10,000	10,000
Blanding City planning grant	3S129	33,000	Jan-09			33,000	33,000
							0
CLOSED LOANS (partially disbursed)							
Garden City 2.31% 20 yr	3S048	2,733,000	Sep-02	Sep-08	\$946,000		\$946,000
Escalante 2.46% 30 yr	3S104	2,160,896	Mar-07	Dec-08	\$764,400	\$300,896	\$1,065,296
Springdale w/hs grant \$769,000	3S118	2,769,000	Jul-08	Jan-09	1,000,000		1,000,000
Subtotal Planning Loans/Grants Auth					2,808,300	499,746	3,308,046
Total authorized but not yet funded					\$4,782,300	\$1,185,746	\$5,968,046
PROPOSED PROJECTS							
Sigurd planning grant						10,000	
Hideout					85,000		
Hinckley Town (Deauthorization)					(85,000)		
Kane Co switch to Federal					(1,025,000)		
Total Proposed Projects					(1,025,000)	10,000	0
Recently Closed:							
Parowan 2.05% 20 yr	3S111	2,137,000	Jan-08	Nov-08	1,923,000		1,923,000
Town of Alta planning grant	3S113	50,000	Jan-08	Nov-08		50,000	50,000
Bear River 2.19% 20 yr	3S096	2,880,000	Sep-07	Dec-08	1,818,000	600,000	2,418,000
Escalante 2.46% 30 yr	3S104	2,160,896	Mar-07	Dec-08	1,560,000	600,896	2,160,896
Springdale w/fed hs grant \$769,000	3S118	2,769,000	Jul-08	Jan-09	1,980,000		1,980,000

DIVISION OF DRINKING WATER
FEDERAL SRF LOAN FUNDS
AS OF JAN 31, 2009

	Loan Funds 1st Round	Loan Payments		Hardship Fund	TOTAL
		2nd Round			
		Principal	Interest		
Federal Capitalization Grants and State 20% match thru 2008	\$100,410,066				
Earnings on Invested 1st Round Funds			1,091,099		
Repayments (including interest earnings on 2nd round receipts)		16,158,364	2,164,221	2,160,057	121,983,807
Less:					
Closed loans and grants	-98,884,246				-98,884,246
SUBTOTAL of Funds Available	\$1,525,820	\$16,158,364	\$3,255,320	\$2,160,057	\$23,099,561
Loans & Grants authorized but not yet closed	-16,322,750	-87,962		-1,331,424	-17,742,136
SUBTOTAL of Funds Available less Authorized	-\$14,796,930	\$16,070,402	\$3,255,320	\$828,633	\$5,357,425
Future Estimates:					
Proposed Loans/Grants for current board package	-8,313,355			0	-8,313,355
SUBTOTAL of Funds Available less Proposed Loans & Grants	-\$23,110,285	\$16,070,402	\$3,255,320	\$828,633	-\$2,955,930
Projected repayments during the next twelve months (JAN 2009 through DEC 2009)		3,375,000	854,453	589,630	4,819,083
Projected annual investment earnings on invested cash balance		384,000	44,400	57,600	486,000
2009 Capitalization Grant (award expected within the next 180 days (Grant \$8,146,000 less set-asides \$1,629,200) plus the state 20% match (\$8,146,000 X 20%) for FY2009	6,516,800 1,629,200				8,146,000
TOTAL	-\$14,964,285	\$19,829,402	\$4,154,173	\$1,475,863	\$10,495,153

**DIVISION OF DRINKING WATER
FEDERAL SRF
PROJECTS AUTHORIZED BUT NOT YET CLOSED
AS OF JANUARY 31, 2009**

COMMUNITY	Project			Authorized Date	Closing Date Scheduled	Authorized From Loan Funds (1st or 2nd Round)			Hardship Fund
	Total	Terms	Loan #			Loan	Forgiveness	Total	
Erda Acres	2,620,000	0% 30 yrs	3F064	Nov-07	Mar-09	2,120,000	500,000	2,620,000	
East Grouse Creek Pipeline	556,000	0%, 30 yrs	3F077	Jul-08	Apr-09	280,000		280,000	280,000
Greenwich WWC	320,000	\$111K 0%, 20 yrs	3F070	Jul-07	Apr-09			0	221,300
Lincoln Culinary Water	450,000	2.63%, 30 yrs 90K	3F083	Nov-08	Apr-09	360,000	90,000	450,000	
St George	15,000,000	1.77% hga, 20 yrs	3F047	Mar-05	Apr-09	6,000,000		6,000,000	
Enoch	2,500,000	2.33% int 20 yrs	3F081	Jul-08	Mar-09	1,910,000		1,910,000	
Central Iron Valley (Skyview)	430,000	hs grant	3F080	Jul-08	Nov-09		430,000	430,000	
Hyde Park	1,000,000	2.97% hga, 20 yrs	3F087	Jan-09		1,000,000		1,000,000	
Corinne	3,632,750	1.8% hga, 30 yrs	3F089	Jan-09		2,842,180	790,570	3,632,750	
Pine Valley Mtn Farms (Emerg)	325,000	\$230K 2% hga, 20 yrs	3F095	Jan-09	Mar-09			0	325,000
		TOTAL CONSTRUCTION AUTHORIZED:				\$ 14,512,180	\$ 1,810,570	\$ 16,322,750	\$ 826,300
PLANNING ADVANCES/OTHER AUTHORIZED:									
Beaver Dam Water	20,000	planning loan	3F062	May-06	Dec-07	4,312		4,312	
Leeds Domestic WUA	15,000	planning loan	3F066	Mar-07	Apr-08	15,000		15,000	
Elberta	18,000	planning loan	3F082P	Sep-08		18,000		18,000	
Veyo Water	50,650	planning loan	3F086P	Jan-09	Feb-09	50,650		50,650	
Springdale w/st loan of \$2 mil	2,769,000	hs grant \$769K	3S118	Jul-08	Jan-09			0	384,000
Rural Water Assn of UT (2009)	122,000	Grant	*	Nov-08	Dec-09				121,124
		TOTAL PLANNING AUTHORIZED:				\$87,962		\$87,962	\$505,124
				TOTAL AUTHORIZED CONSTRUCTION & PLANNING:				\$16,410,712	\$1,331,424
PROPOSED PROJECTS FOR MAR 2009:									
Kane Co-Long Valley (trnsfr from state)	1,025,000		3S119	Jul-08	Mar-09	1,025,000		1,025,000	
Central Iron County Ph III	7,626,545		3F092			978,000	2,932,878	3,910,878	
Manila	2,952,477		3F099			738,115	2,214,362	2,952,477	
Dutch John	1,300,000		????				425,000	425,000	
		TOTAL PROPOSED PROJECTS FOR THIS MEETING:				\$2,741,115	\$5,572,240	\$8,313,355	\$0
*RWAU hardship grant is being disbursed monthly									
				AVAILABLE PROJECT FUNDS:				\$4,528,792	
				AVAILABLE HARDSHIP FUNDS:				\$828,633	
			TOTAL FUNDS AFTER PROPOSED PROJECTS ARE FUNDED:				-\$3,784,563		
			TOTAL FUNDS AFTER PROPOSED HS PROJECTS ARE FUNDED:				\$828,633		
RECENT LOAN CLOSINGS:									
Canyon Meadows Mutual	550,000	2.67%, 20 yrs	3F085	Oct-08	Nov-08				550,000
Mountain Regional Water	3,026,263	2.0% int, 20 yrs	3F076	Feb-08	Sep-08	3,026,000		3,026,000	
Woods Cross	5,000,000	3.49%, 20 yrs	3F072	Nov-07	Sep-08	5,600,000		5,600,000	
Springdale (2 mill state loan)	769,000	\$769K HS GRANT	3S118	Jul-08	Jan-09			385,000	
Total Recent Loan Closings						\$8,626,000	\$0	\$9,011,000	\$550,000

5. 2) PROJECT PRIORITY LIST – Ken Wilde

**FINANCIAL ASSISTANCE COMMITTEE
PACKET FOR PROJECT PRIORITY LIST**

Multiple projects are being added to the Project Priority List:

Due to the possibility of an Economic Recovery Funding package, there has been much interest in the Drinking Water SRF program. We have added projects to the Project Priority List based on applications received and a questionnaire that was sent to all water systems to assess their need.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board approves the updated project Priority List.

February 16, 2009

Utah Federal SRF Program

Project Priority List

		Priority Points	Total Unmet Needs = \$297,472,973			Total Needs, incl. recently funded = \$313,970,723			Authorized
			System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
N	1	78.9	CICWCD-Phase III(a)	Iron	1,500	Park West Consolidation, 4MG tank	\$3,870,878	\$3,870,878	
N	1	69.5	Park City	Summit	8,500	Treatment	\$9,541,000	\$1,400,000	
P	2	60.2	CICWCD-Phase III(b)	Iron	1,500	Old Meadows Connection, 3.5 MG tank	\$3,715,667		
P	2	49.7	Cannonville Town	Garfield	200	New tank, waterline upgrades	\$200,000		
N	1	48.6	Park City	Summit	8,500	Transmission	\$8,728,366	\$1,311,600	
N	2	48.4	Daniels Domestic	Wasatch	312	Storage, waterline upgrades	\$4,370,600	\$4,370,600	
A		47.8	Lincoln Culinary Water Co.	Tooele	470	New tank and chlorination building	\$550,920	\$450,000	\$450,000
N	2	46.0	Town of Manila	Daggett	620	Waterline upgrades, new tank	\$2,952,477	\$2,952,477	
P	2	45.0	CUWCD- Ashley Valley	Uintah		Treatment plant upgrades	\$15,000,000		
N	2	42.4	Town of Apple Valley	Washington	100	Consolidation of 3 private systems	\$4,000,000		
N	2	41.3	Duchesne City	Duchesne	1,450	Waterline upgrades	\$815,248	\$815,248	
A		39.6	Erda Acres Water Company	Tooele	265	Update lines,well, chlorination facility	\$2,400,000	\$2,620,000	\$2,620,000
N	3	38.7	Fountain Green Culinary Water	Sanpete	830	Spring redevelopment, new well, new tank	\$3,387,000	\$1,000,000	
P	3	38.0	Teasdale	Wayne	160	System upgrades	\$1,770,000		
P	2	37.4	Sigurd Town	Sevier	500	Storage, source, distribution	\$2,000,000		
A		36.3	St. George	Washington	50,000	Arsenic Treatment of Gunlock Wells	\$21,550,000	\$10,000,000	\$6,000,000
N	2	35.7	Johnson Water District	Duchesne	1,730	New tank, PRV, waterlines	\$1,516,352	\$1,516,352	
P		33.3	Tooele County SSD	Tooele		Source, Trans, Treatment, & Storage	\$500,000	\$365,000	
N	2	31.6	Midway City	Wasatch	3,200	Waterline replacement	\$2,616,000	\$2,616,000	
P	3	31.0	Paragonah	Iron	470	source development, new lines	\$4,018,900		
A		30.4	Hyde Park	Cache	3,300	Tank, booster station	\$1,910,000	\$1,000,000	\$1,000,000
P	3	30.0	Mayfield	Sanpete		Source, treatment, storage, waterline	\$2,657,000		
N	2	25.8	Dutch John	Daggett	150	Waterline upgrades and generator for treatment	\$1,170,000	\$1,170,000	
P	1	25.7	West Point City	Davis	7,000	Waterline upgrades	\$700,000		
P		25.0	CUWCD-Utah Valley	Utah		Treatment plant upgrades	\$35,000,000		
P	3	24.4	Jordan Valley WCD	Salt Lake	82,500	Treatment	\$3,200,000		
P	2	23.5	Price City	Carbon	8,010	Source, storage, distribution and treatment	\$19,200,000		
P		23.0	Hanna Water & Sewer District	Duchesne	300	Source, storage, distribution	\$3,195,000		
A		22.7	Enoch Municipal Water	Iron	3,430	Upgrade system, add 58,000 ft of line	\$2,406,299	\$1,921,299	\$1,910,000
P	2	22.6	Kearns Improvement District	Salt Lake	46,000	New storage tank	\$8,569,000		
P		20.0	Pinon Forest	Duchesne		New system- residents haul water	\$21,247,000		
P	2	19.5	Jordan Valley WCD	Salt Lake	82,500	Distribution system repairs			
P		18.6	Shiloah Wells Water Company	Millard	85	New well shaft, backup generator, flow meter	\$32,000		
P	1	18.2	Austin	Sevier	150	Source, treatment, storage, waterline	\$1,040,000		

February 16, 2009

Utah Federal SRF Program

Project Priority List

	Priority Points	Total Unmet Needs = \$297,472,973			Total Needs, incl. recently funded = \$313,970,723			Authorized
		System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
P	17.9	Wendover	Tooele	1,600	Waterline upgrades	\$833,000		
P	17.7	Pleasant Grove City	Utah	27,400	Waterline Replacement	\$4,000,000		
P	17.5	Draper City	Salt Lake	15,000	Storage and distribution upgrades	\$35,789,000		
A	16.8	Corrine City	Box Elder	640	1MG tank, transmission lines	\$3,632,750	\$3,632,750	\$3,632,750
P	16.4	Eastland SSD	San Juan	60	New well for back up purposes	\$500,000		
P	15.3	Newton Town	Cache	799	Spring rehabilitation, waterline upgrades	\$1,581,500		
P	15.3	South Rim Water	Tooele	264	Well equipment and house, new tank	\$600,000		
P	15.2	Mivalley Estates Water Company	Iron	700	Source, storage, distribution	\$500,000		
N	15.1	Syracuse	Davis	25,200	Waterline upgrades	\$1,589,756	\$1,589,756	
P	14.7	Central Waterworks Co.	Sevier	450	Storage and distribution upgrades	\$1,400,000		
P	13.7	Morgan City	Morgan	3,250	Waterline upgrades	\$692,026		
P	13.5	Riverdale	Weber	8,200	New well and tank, waterline upgrades	\$2,050,000		
P	13.3	Richfield City	Sevier	7,111	System repairs	\$2,722,000		
P	13.0	Uintah City	Weber	1,300	Treatment	\$1,063,000		
P	12.8	Centerfield	Sanpete	1,200	New tank, upgrade waterlines	\$3,600,000		
N	12.7	Rocky Ridge Town	Juab	582	New well, pump house and transmission line	\$1,034,000	\$1,024,000	
A	12.7	Town of Howell	Box Elder	250	100,000 gallon concrete tank	\$245,000	\$86,000	
P	12.6	Enterprise	Washington	1,500	New tank, upgrade waterlines	\$1,917,100		
P	12.6	Price River	Carbon	7,659	New tank, waterlines, treatment	\$2,750,000		
N	12.5	Eden Water Works	Weber	1,500	New tank and upgrading chlorination system	\$1,081,000	\$1,081,000	
A	12.3	East Grouse Creek Pipeline Co.	Box Elder		Well Rehabilitation & Well House	\$556,000		\$560,000
P	11.6	Manila Culinary Water Co.	Utah	2,450	Treatment and waterline upgrades	\$700,000		
N	11.4	North Ogden City	Utah	15,000	Waterline upgrades	\$746,000	\$746,000	
P	10.7	High Valley Water Company	Summit	850	Waterline upgrades	\$1,000,000		
P	10.3	City of Monticello	San Juan	2,000	Storage and distribution upgrades	\$1,200,000		
P	9.8	Gorgoza	Summit	4,200	Waterline upgrades	\$1,000,000		
P	9.7	Benson Culinary Water District	Cache	743	New tank, waterline replacement	\$500,000		
N	9.6	Enoch Municipal Water	Iron	3,430	Redevelop agricultural well to municipal	\$410,000	\$410,000	
P	9.3	Mapleton City	Utah	7,300	Replace distribution lines	\$15,339,560		
P	9.2	Greendale Water Co.	Daggett	500	Treatment system	\$800,000		
P	9.1	Center Creek	Wasatch	200	Pump house and pump	\$80,000		
P	8.3	Hurricane	Washington	8,000	Waterline replacement and new tank	\$5,047,899		
N	8.2	Fremont Waterworks Co.	Wayne	240	Spring redevelopment and WL upgrades	\$270,000		
N	8.0	Mountain Valley Water	Salt Lake	48	400,000gal Tank, Trans/Dist Pipelines	\$805,980	\$798,000	
P	7.6	Harmony Farms Water User Assoc.	Washington	300	Waterline Replacement	\$3,000		

February 16, 2009

Utah Federal SRF Program

Project Priority List

	Priority Points	Total Unmet Needs = \$297,472,973			Total Needs, incl. recently funded = \$313,970,723			Authorized
		System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
P	6.7	Centerville City	Davis	16,000	Replacement well, waterline upgrades	\$2,965,000		
N	6.4	Tabiona Culinary Water System	Duchesne	154	Replace water meters and check valves	\$35,225		
P	6.1	Marble Hill Water Company	Box Elder	250	New storage tank	\$225,000		
N	5.0	Skyline Mountain SSD	Sanpete		2nd Home Subdivision	\$9,000,000	\$3,000,000	
P	4.5	Peterson Pipeline Association	Morgan	450	Source, storage, distribution	\$1,700,000		
p	4.5	Perry City	Box Elder	4,603	Source, storage, distribution	\$4,782,220		
P	4.3	Hooper Water Improvement District	Weber	16,520	Storage, waterlines, treatment	\$4,430,000		
N	3.8	Wolf Creek Country Club	Weber	2,000	New well	\$650,000	\$650,000	

N = New Application

1= Ready to go (environmental work completed, plans ready and they are interested)

A = Authorized

2= Could possibly be ready (they are interested but need to work on meeting our deadlines)

P = Potential Project- no application

3= Not ready and/or not interested

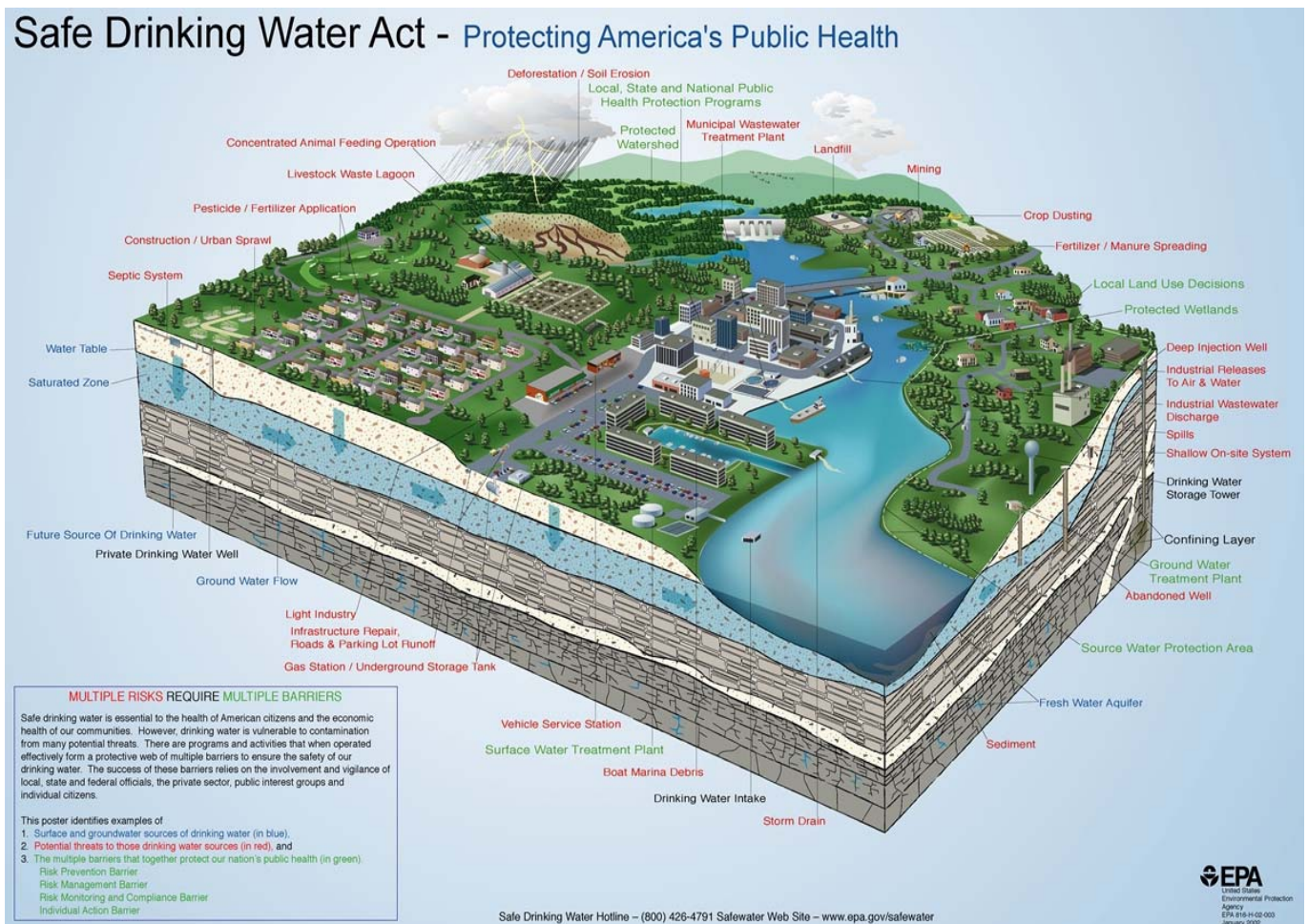
EMERGENCY FUNDING

A	100.0	Pine Valley Mtn. Farms	Washington	100	New well	\$315,000	\$315,000	\$325,000

5. 3) DRAFT INTENDED USE PLAN (IUP)
FOR FY '09 CAPITALIZATION
GRANT – Ken Wilde

STATE OF UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF DRINKING WATER

ECONOMIC RECOVERY & 2009 DWSRF CAPITALIZATION GRANT APPLICATIONS and INTENDED USE PLAN



**STATE OF UTAH
DIVISION OF DRINKING WATER
DEPARTMENT OF ENVIRONMENTAL QUALITY**

ECONOMIC RECOVERY & 2009 DWSRF INTENDED USE PLAN

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 - 1. Plan Introduction
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- B - INTENDED USE PLAN
 - 1. Summary, Financial Status and Goals
 - 2. Loan Program
 - 3. Set-Asides

- C - ATTACHMENTS
 - 1. Project Priority List (full list)
 - 2. Attorney General Enabling Legislation Opinion Letter
 - 3. Organization Chart

- D - UTAH ADMINISTRATIVE CODE RULE R309-705
 - Rule for Projects Receiving Assistance from the Federal DWSRF
 - Loan Program is available at www.drinkingwater.utah.gov

Section A: Drinking Water State Revolving Fund (DWSRF)

A-1 Plan Introduction:

The national Drinking Water State Revolving Fund (DWSRF) program established by the Safe Drinking Water Act (SDWA) Amendments of 1996, authorizes the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states, which in turn may provide low-cost loans and other types of assistance to eligible public water systems to finance the costs of infrastructure projects needed to achieve or maintain compliance with SDWA requirements. States are also authorized to set-aside a portion of their capitalization grants to fund a range of activities including administration, technical assistance, source water protection, capacity development, and operator certification.

The Utah Legislature enacted Utah Code Annotated (UCA) 19-4-101 et seq. establishing the Utah Safe Drinking Water Board (Board). UCA 19-4-104 empowers the Board with rule making authority to meet the requirements of federal law governing drinking water. UCA 19-4-105 establishes the Division of Drinking Water (DDW) which is tasked with the responsibility to administer UCA 19-4-101 et seq. The Board has promulgated rules for making loans incorporating the requirements of the Federal Safe Drinking Water Act at Utah Administrative Code R309.705. Additionally, the Board is authorized by UCA 19-4-104(1)(a)(v) and 19-4-104(2) to promulgate rules for certification of operations and governing capacity development in compliance with Section 1419 and 1420 of the Federal Safe Drinking Water Act.

The Board, an eleven-member board appointed by the Governor, develops policies and procedures for program implementation and authorizes loans under the DWSRF. The Utah Department of Environmental Quality (DEQ) through DDW directly administers the DWSRF program. The DDW's primary DWSRF activities include administering loans and managing and coordinating the fund.

DDW receives assistance and support from the DEQ's Office of Support Services, the State Division of Finance, the State Attorney General's Office and the State Treasurer's Office. The salaries and benefits of the employees, as well as indirect costs based on direct salary costs, are charged to the DWSRF program. Employees charging time to the DWSRF program are covered by the State of Utah personnel benefits plan. The DWSRF program is charged a loan administration fee by the Division of Finance.

The DWSRF program requires the states to deposit to the loan fund an amount equal to at least 20 percent of the capitalization grant. Loan repayments made by assistance recipients return to the loan fund and provide a continuing source of financing. The first year of funding by USEPA was federal fiscal year 1997. The following table summarizes awards received by DDW, the allocation between loan and set-aside funds and the required state 20% match.

<p align="center">Table 1 Summary of DWSRF Grants July 31 2008</p>								
Federal	Award	Total		Award Allocation		Set-Aside Funds		State
Fiscal	Date	Amount	%	Loan Fund		Amount	%	20%
Year				Amount	%			Match
1997	February 9, 1998	\$ 12,558,800	100%	\$ 9,755,575	77.7%	\$ 2,803,225	22.3%	\$ 2,511,760
1998	September 20, 1999	7,121,300	100%	5,633,563	79.1%	1,487,737	20.9%	1,424,260
1999	May 1, 2000	7,463,800	100%	6,019,720	80.7%	1,444,080	19.3%	1,492,760
2000	August 21, 2000	7,732,000	100%	6,515,880	84.3%	1,216,120	15.7%	1,551,400
2001	September 7, 2001	7,789,100	100%	6,542,844	84.0%	1,246,256	16.0%	1,557,820
2002	July 20, 2002	8,052,500	100%	6,384,100	79.3%	1,668,400	20.7%	1,610,500
2003	August 11, 2003	8,004,100	100%	6,473,444	80.9%	1,530,656	19.1%	1,600,820
2004	July 6, 2004	8,303,100	100%	6,724,604	81.0%	1,578,496	19.0%	1,660,620
2005	June 16, 2005	8,285,500	100%	6,709,820	81.0%	1,575,680	19.0%	1,657,100
2006	June 29, 2006	8,228,900	100%	6,583,120	80.0%	1,645,780	20.0%	1,645,780
2007	June 27, 2007	8,229,400	100%	6,562,696	79.7%	1,666,704	20.3%	1,645,880
2008	July 31, 2008	8,146,000	100%	6,516,800	80.0%	1,629,200	20.0%	1,629,200
	Total	\$ 99,914,500	100%	\$ 80,422,166	80.5%	\$ 19,492,334	19.5%	\$ 19,987,900

Utah's DWSRF program resulted in the following statistics through SFY08:

Utah's DWSRF fund utilization rate in SFY08 was 79%, up from 78% in SFY07. It provided assistance to \$85.6 million with approximately \$108.2 million available for drinking water projects. However, three projects were closed in the 1st quarter of SFY2008 which increased the utilization rate to 85% through Sept 30, 2008 including the 2008 grant which was awarded July 31, 2008.

For SFY08, Utah entered into two binding commitments for a total of \$6.7 million. The projects entered into binding commitment in the 1st quarter of 2009 totaled \$13.7 million.

In SFY09, DWSRF currently has ten projects authorized by the Drinking Water Board and anticipates many more projects to be authorized by the end of April, 2009. DWSRF anticipated entering binding commitments sufficient to commit all of ARRA grant and the 2009 grant by the end of SFY2009. Therefore, we anticipate our pace will increase significantly during SFY09 and should match or exceed the national average of 88%. Construction pace will also increase.

DW will continue to contract with Rural Water Association of Utah (RWAU) to assist small public water systems. Contacts are anticipated to be 600-800 for capacity development assistance or technical assistance. In addition, the division assists with both of these issues directly to small public water systems.

The allotment between states is based on state needs surveys. The amount awarded to the State of Utah in each of the fund years was one percent, the minimum allocation. Utah has requested and been awarded its annual allocation through federal fiscal year 2008.

The State Auditor, in compliance with the provisions of the Single Audit Act, audits the DWSRF accounts. DWSRF accounts are also subject to review and audit by USEPA, the Office of the Inspector General. DWSRF Funds are included in Utah's Comprehensive Annual Financial Report (CAFR), which uses the modified accrual bases of accounting. Because funds are combined the DWSRF assets, liabilities, and net assets are not identifiable in Utah's CAFR.

The state is required to submit an annual Intended Use Plan (IUP) to EPA as long as the Fund or set-aside accounts remain in operation.

DDW under the direction of the Board administers the loan and set-aside programs.

DWSRF program and procedures that are not expected to change annually are described in the Operating Agreement.

A-2 Economic Recovery Stimulus:

An unusual economic slump in the current U.S. market (FFY2009) resulted in the United States Congress passing an appropriation bill in order to stimulate the economy entitled "American Recovery and Reinvestment Act of 2009" (ARRA). It is anticipated the appropriation will provide approximately 20 million dollars to be used in the DWSRF program. Some specific rules will apply to this appropriation, but most rules will follow the DWSRF program. The Division of Drinking Water will follow all requirements necessary.

The following are a few of the specific requirements of the ARRA:

1. DWSRF must create a reserve of 50% of the ARRA funds to assist public water systems in the form of principle forgiveness, negative interest or grants.
2. DWSRF must identify projects that meet the criteria of "Green Infrastructure Projects" for a minimum of 20% of the award.
3. Construction bids are required to use Davis-Bacon Act wage rules and use American made iron, steel and manufactured goods.
4. Monthly progress reports to EPA are required.
5. The Intended Use Plan must identify projects equal to the amount of the grant being applied for before a grant can be awarded.

A-3 DWSRF Loan Program:

The loan program funds low-cost loans and other types of assistance to publicly owned and privately owned community water systems and non-profit non-transient water systems to finance the costs of infrastructure projects. States are responsible for developing a priority system that identifies how projects will be ranked for funding and a list of projects, in priority order, that are eligible for funding. A description of the criteria and the method used for distribution of loan funds is outlined in Utah Administrative Code R309-705

Loans Program Eligibility Requirements

1. Repayment must begin no later than one year after completion of the project.
2. Loan repayment must be complete no later than 20 years after the completion of the project. A disadvantaged community loan may have up to 30 years as long as the period of the loan does not exceed the expected design life of the project.
3. A minimum of 15% of all dollars credited to the loan fund must provide loans to small systems, those that serve fewer than 10,000 persons.
4. Up to 30% of federal grants can be used for principal forgiveness for communities meeting the State's "Disadvantage" criteria. The Board has defined disadvantaged communities as those communities located in an area which has a median adjusted gross income which is less than or equal to 80% of the State's median adjusted gross income, as determined by the Utah State Tax Commission from federal individual income tax returns excluding zero exemption returns or where the established annual cost of drinking water service to the average residential user exceeds 1.75% of the median adjusted gross income.

Interest and Fees

1. Federal rules section 1452 allows the state to assess interest and/or fees. Fees are calculated and paid in the same manner as interest. Fees have fewer restrictions than interest. The Board has authorized by Rule the establishment of a fund (or account) into which the proceeds of annual fees be placed.
2. Interest payments are deposited to the same loan fund as principal payments and have the same restrictions.
3. Hardship fees are deposited to a separate fund authorized for providing grants to water systems through the State SRF loan program.
4. The Board established a Rule for the collection of a Technical Assistance fee. These funds will be used to finance technical assistance for eligible water systems. This fee is part of the "effective rate" calculated using Table 2, R309-705-6. Utah Rule R309-705-4 defines an SRF Technical Assistance Fund which means a fund (or account) that will be established for the express purpose of providing "Technical Assistance" to eligible drinking water systems. These fees are deposited into the hardship fee fund and will be tracked separately.

The Technical Assistance Fund will provide low interest loans for technical assistance, and any other eligible purpose as defined by Section 1452 of the SDWA Amendments of 1996, to water systems that are eligible for Federal SRF loans. Repayment of these loans may be waived in whole or in part (grant funds) by the

Board whether or not the borrower is disadvantaged. The proceeds of the fund will be used as defined above or as modified by the Board.

5. Origination Fee: Authority was amended by the Utah State Legislature to establish an origination fee to be charged to a new loan to fund the administration of the Drinking Water SRF programs with HB99. It was reviewed by the Board on May 11, 2007. The following guidelines were decided:

- a. The Board set a fee amount of 1% of the loan amount. The amount of the fee will be reviewed annually and may change the Board is responsible to determine the needs of the program.
- b. The origination fee amount is assessed to the loan recipient as a percentage of the Principal Balance of the loan. It is generally from the loan proceeds at closing as a one-time fee, but the loan recipient may choose to pay separately.
- c. All proceeds will be deposited into the "DW Origination Fee Fund" as created in Section 73-10c-5.
- d. Since fees will be deposited into an account outside of the Fund, they will only be used for program administration or other purposes for which capitalization grants can be awarded under section 1452.
- e. Fees began being assessed July 11, 2007.

State fund Drinking Water Loan Program:

The Division of Drinking Water also operates a State funded Drinking Water Assistance Program. The state program provides Utah the flexibility to put together loan packages without the restrictions that accompany the DWSRF program. The federal DWSRF required State 20% match is generated from the state loan program.

A-4 Set-Asides:

In addition to loan assistance to eligible public water systems, the DWSRF program also emphasizes the prevention of drinking water contamination by allowing states to reserve a portion of their grant to fund activities that encourage enhanced water system management and source water protection. The funded activities are referred to as set-aside funds. Set-aside activities include:

- 1) Up to four percent of the allotment to administer the DWSRF and provide technical assistance to public water systems;
- 2) Up to ten percent of its allotment for state program management activities, including administration of the state public water supervision system program, administration of the source water protection program, development and implementation of the capacity development and operator certification programs. This set-aside requires a dollar-for-dollar match. The match is provided from state general funds.
- 3) Up to two percent of its allotment to provide technical assistance to small public water systems;
- 4) Up to 15 percent of its capitalization grants to assist in the development and implementation of local drinking water protection initiatives, including capacity

development, wellhead protection and other state programs. This set-aside will not be available for the ARRA.

SECTION B - INTENDED USE PLAN:

B-1 Summary, Financial Status and Goals:

The State has agreed to prepare an Intended Use Plan (IUP) as long as the loan fund and/or set-aside funds remain in operation describing how the state will use all funds available to the capitalization grant, including funds that will be allocated to the set-asides. Specifically, the IUP describes how we plan to use available funds. Funds are received from the federal capitalization grants, the state match, loan repayments including interest and fee payments, and investment earnings.

The state is applying for the 2009 DWSRF appropriation in the amount of \$8,146,000. \$6,842,640 will be added to the loan fund and \$1,303,360 to the set-aside program. The federally mandated 20% state match of \$1,629,200 will be funded from the Drinking Water State loan program.

The state is also applying for the 2009 Economic Recovery appropriation in the amount of approximately \$20,000,000. \$18,400,000 will be added to the loan fund and \$1,600,000 to the set-aside program. It is anticipated the 20% state match will not be required.

The Intended Use Plan (IUP) is for both the 2009 DWSRF & the Economic Recovery appropriations and will include:

- 1) Specifics on how the Board proposes to use the appropriations;
- 2) A description of the goals of the DWSRF program;
- 3) A list of projects eligible to receive DWSRF funding, which identifies those serving less than 10,000 people;
- 4) Cost estimates for listed projects;
- 5) An estimate of funds anticipated to be available for financial assistance;
- 6) Criteria for selecting projects to receive financial assistance;
- 7) Criteria for determining which communities qualify for hardship status;
- 8) The project scoring and ranking system;
- 9) Projects authorized for funding and those anticipated to be closed in FFY2009 and the 1st quarter of FFY2010.

Short and Long-Term DWSRF Goals:

The DWSRF program will help ensure Utah's drinking water supplies remain safe and affordable, and drinking water systems are properly operated and maintained. The objectives of the DWSRF program include ensuring the public health, achieving compliance with SDWA, and assisting systems to provide affordable drinking water.

Short Goals:

Loan Program:

- To assist prospective borrowers during facility planning and preparation of their project funding applications, make funding recommendation to the Board, and assist during project construction.
- Facilitate an enhanced Project Priority List to identify shovel ready projects in need of immediate assistance.
- Coordinate loan closings within 12 months of appropriation enactment for Economic Recovery Projects.
- Improve the State Revolving Loan Fund Program to include: Allow for funding of automated meters, require all applicants to complete a vulnerability assessment and emergency response plan, make adjustments to the interest rate point system, make applications available online and consider ways to make the state and federal programs uniform. This will require State Rule changes.
- Set-Aside:
 - 1) Complete, maintain and enhance the SDWIS/SARA database system.
 - 2) Continue to improve the reporting of analytical data to DDW.
 - 3) Continue to enhance the PWSS program.
 - 4) Continue to expand the Operator Certification program.
 - 5) Continue to reorganize the grouping of water systems and rotation of surveyors.
 - 6) Continue to implement a water system recognition program.
 - 7) Continue funding for DWSRF administrative needs.
 - 8) Continue to coordinate activities relating to protection of sensitive SPP areas.
 - 9) Continue to implement an electronic management system in conjunction with the Department. (EDocs)
 - 10) Continue to evaluate EPA's Groundwater Rule and formulate an implementation plan.
 - 11) Continue to develop a tracking methodology for rule exceptions in performing sanitary surveys.
 - 12) Continue to develop guidance relating to Source Protection and capacity issues.
 - 13) Work to improve communication with Local Health Departments.
 - 14) Develop and adopt revisions to the Disinfection Rule.
 - 15) Develop a division related "Policy and Procedures" loose leaf for use by staff.
 - 16) Improve technical assistance on rules.
 - 17) Direct the development of a team to work with institutional water system owners (UDOT, LDS, BSA, etc.) to enhance technical assistance and compliance.
 - 18) Make weekly and monthly reports available to the Board, LHD, AWWA, RWAU with appropriate links to webpage.
 - 19) Research the potential of creating a new rule to require a re-evaluation of source protection zones and new source chemistries if a well is deepened.

Long-Term Goals for the Loan Funds and the Set-Aside Funds

- 1) To provide a permanent source of funding which can be used in combination with financing from a community's own resources and other funding sources to assist

in financing needed drinking water projects. The Federal SRF funds, the State 20% match, loan repayments, interest payments and earnings on the invested cash balance provide funding.

- 2) To protect public health.
- 3) To help public water suppliers achieve and maintain compliance with Federal and State drinking water standards.
 - 4) To enhance long-term water system viability.
 - 5) To assist public water suppliers to improve drinking water quality and dependability by providing SRF loans to applicants in greatest need.
 - 6) Educate and support water suppliers with their water protection (counter-terrorism) efforts. Rural Water Association of Utah (RWAU) will augment the State's efforts to provide widespread training and provide as much onsite, one-on-one technical assistance as possible to water systems.
 - 7) Establish state rules to require all future public water systems to be public entities of the State Of Utah.

Transfer and Cross-Collateralization of Funds between the DWSRF and CWSRF:

Section 302 of the SDWA authorizes the transfer up to 33 percent of the amount of a fiscal year's DWSRF program capitalization grant to the CWSRF program or an equivalent amount from the CWSRF program to the DWSRF program. There has been no transfer of funds and no transfers are anticipated.

Withholding of Funds:

EPA has the ability to withhold funds under certain provisions, but the DWB/DDW has complied with the following:

1. The State has authority to ensure all new community water systems and new nontransient, noncommunity water systems commencing operation after October 1, 1999, demonstrate technical, managerial, and financial capacity with respect to each drinking water regulation in effect. Utah Code Annotated 19-4-104 empowers the Drinking Water with rule making authority to meet the requirements of Federal law governing drinking water.
 2. The State has developed and is implementing a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.
 3. The State has adopted and is implementing a program for certifying operators of community and nontransient, noncommunity public water systems.
- EPA has approved the State's operator certification program.

Public Review of the IUP:

The IUP was published on the Drinking Water web site, www.drinkingwater.utah.gov. Notice of the posting and request for public comment was included on the Board March meeting agenda, which is mailed to approximately 300 interested individuals and agencies asking for review and comments. Comment may be made in writing addressed to the Board at 150 North 1950 West, PO Box 144830, Salt Lake City, Utah 84114-4830 or in person at a regular scheduled Board meeting. The next regularly scheduled Board meeting is April, 2009. No comments are anticipated to be received.

Financial status:

Initial capitalization for the Utah DWSRF program was provided from the 1997 Federal Capitalization Grant and state matching dollars. For the ten years, 1997 through 2007, DWSRF capitalization grants totaled \$91,768,500. (The 2008 capitalization grant was awarded July 31, 2008 and will be included in the 2009 financial statement totals. However, both Table 1 and Table 3 includes the 2008 grant award.) \$73,905,366 was the total loan program portion and \$17,863,134 was used in the set-aside programs. The State 20% match for the ten-year period of \$18,358,700 was added to the loan program. Through January, 2008 the Board has authorized sixty-one projects totaling \$117,019,084. Fifty-one projects totaling \$99,322,684 have been closed (committed) and eleven projects totaling \$17,696,400 have been authorized by the Board but have not been closed (not committed), three planning loans have signed loan agreements but funds have not be disbursed totaling \$83,650. Revenue, disbursements and balances are shown in the financial statements thru 6/30/2008.

Table 2				
Available Awards and State Match (Maximum Set-Asides)				
ACTIVITY		ARRA Maximum	2009 DWSRF Maximum	Total Available
Loan Fund	09DA	\$ 16,800,000	\$ 5,620,740	\$ 22,420,740
4% Administrative Set-Aside	09DD	800,000	325,840	1,125,840
2% Small Sys.Tech. Asst.	09DE	400,000	162,920	562,920
10% State Program Set-Aside max =		2,000,000	814,600	2,814,600
PWS Supervision				
Capacity Development				
Source Water Protection				
Operator Certification				
TOTAL State Program Set-Aside	09DF			
15% Local Assistance (Up to 15%)		-	1,221,900	1,221,900
Local Assistance				
Capacity Development Outreach				
Source Water Assessment				
Wellhead Protection				
TOTAL Local Assistance Set-Aside	09DG			
TOTALS		\$ 3,200,000	\$ 2,525,260	\$ 5,725,260
TOTAL CAPITALIZATION GRANT =		\$ 20,000,000	\$ 8,146,000	
State 20% Match		0.00	1,629,200	1,629,200
State Program Management 1 for 1		2,000,000	814,600	2,814,600

The Economic Recovery Funds will be applied as follows: \$20,000,000 is anticipated to be allocated to the State of Utah for this appropriation. \$18,400,000 will be provided to the loan fund and \$1,600,000 to set-asides. The 20% and the 1:1 state matches will not be required.

We are applying for \$8,146,000 the amount allocated to the State of Utah for FFY 2009. \$6,516,800 will be provided to the loan fund and \$1,303,360 to set-asides. The state 20% match of \$1,629,200 will be added to the loan fund and the 1:1 match of \$814,600 will be expensed during the year from state appropriations.

Table 3

Division of Drinking Water Funding Sources and Funding Commitments July 31, 2008		
	TOTAL	PERCENT
Capitalization:		
USEPA Capitalization grants	\$99,914,500	83.3%
State match	19,987,900	16.7%
Total capitalization	119,902,400	100.0%
Less set-aside allocation	(19,492,334)	-16.3%
Additions to the loan fund	100,410,066	83.7%
Funded projects (closed loans):		
Standard loans - population over 10,000		0.0%
Standard	24,639,000	20.5%
Disadvantaged communities	19,395,000	16.2%
Small Systems - population less 10,000:		
Standard	28,486,000	23.8%
Disadvantaged communities	26,802,331	22.4%
Total closed loans	99,322,331	82.8%
Projects authorized but not yet closed (inc pl)	17,696,400	14.8%
Total authorized projects	117,018,731	97.6%
Available	(16,608,665)	-13.9%
Other available funds:		
Investment earnings	1,065,816	
Principal and interest payments	14,864,109	
Hardship fees inc earned interest	2,701,698	
Total	2,022,957	

B-2 Loan program:

Rule R309-705 establishes criteria for financial assistance to public drinking water systems in accordance with the Federal SDWA. A copy of Rule R309-705 is attached.

The 2009 DWSRF capitalization grant along with carry forward funds, repayments, interest and fee payments, and investment earnings provides the funds the Division has available to help public water systems finance needed drinking water projects.

A list of anticipated projects requiring funding is listed below in Table 4. This list will be used for both the 2009 capitalization grant and the ARRA.

Projects authorized by the Board but which have not been closed (EPA does not consider the loan as committed until the loan documents are signed) are entered in the column titled "Funds Authorized". Staff is working on these to present to the Board for their consideration.

As conditions change, the Board may reassess project readiness, and choose to delay funding to those the Board considers "not ready to precede" rule R309-705-6. However, every effort is being made to close projects as soon as possible.

Table 4
PROJECT PRORITY LIST

See Legend below		Priority Points	February 12, 2009						
			Total Unmet Needs			Total Needs, incl. recently funded			
			\$280,060,936			\$296,558,686			
			System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
N	1	78.9	CICWCD-Phase III(a)	Iron	100	Park West Consolidation, 4MG tank	\$ 3,870,878	\$ 3,870,878	
P	2	49.7	Cannonville Town	Garfield	200	New tank, waterline upgrades	\$ 200,000		
N	2	48.4	Daniels Domestic	Wasatch	312	Storage, waterline upgrades	\$ 4,370,600	\$ 4,370,600	
A		47.8	Lincoln Culinary Water Co.	Tooele	470	New tank and chlorination building	\$ 550,920	\$ 450,000	\$ 450,000
N	2	46.0	Town of Manila	Daggett	620	Waterline upgrades, new tank	\$ 2,952,477	\$ 2,952,477	
P	1	42.9	Park City	Summit	7,500	Source, treatment, distribution	\$ 13,800,000		
A	1	39.6	Erda Acres Water Company	Tooele	265	Update lines,well, chlorination facility	\$ 2,400,000	\$ 2,620,000	\$ 2,620,000
N	3	38.7	Fountain Green Culinary Water	Sanpete	830	Spring redevelopment, new well, new tank	\$ 3,387,000	\$ 1,000,000	
P	3	38.0	Teasdale	Wayne	160	System upgrades	\$ 1,770,000		
P		37.4	Sigurd Town	Sevier	500	Storage, source, distribution	\$ 2,000,000		
A	1	36.3	St. George	Washington	50,000	Arsenic Treatment of Gunlock Wells	\$ 21,550,000	\$10,000,000	\$ 6,000,000
N	2	35.7	Johnson Water District	Duchesne	1,730	New tank, PRV, waterlines	\$ 1,516,352	\$ 1,516,352	
P		33.3	Tooele County SSD	Tooele		Source, Trans, Treatment, & Storage	\$ 500,000	\$ 365,000	
N	2	31.6	Midway City	Wasatch	3,200	Waterline replacement	\$ 2,616,000	\$ 2,616,000	
P	3	31.0	Paragonah	Iron	470	source development, new lines	\$ 4,018,900		
A		30.4	Hyde Park	Cache	3,300	Tank, booster station	\$ 1,910,000	\$ 1,000,000	\$ 1,000,000
P	3	30.0	Mayfield	Sanpete		Source, treatment, storage, waterline	\$ 2,657,000		
N	3	25.8	Dutch John	Daggett	150	Waterline upgrades and genertor for treatment	\$ 1,170,000	\$ 1,170,000	

			System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
P	1	25.7	West Point City	Davis	7,000	Waterline upgrades	\$ 700,000		
P		25.0	CUWCD-Utah Valley	Utah		Treatment plant upgrades	\$ 35,000,000		
P		24.4	Jordan Valley WCD	Salt Lake	82,500	Treatment	\$ 3,200,000		
P		23.5	Price City	Carbon	8,010	Source, storage, distribution and treatment	\$ 19,200,000		
P		23.2	Town of Apple Valley	Washington	100	Consolidation of 3 private systems	\$ 3,000,000		
P		23	Hanna Water & Sewer District	Duchesne	300	Source, storage, distribution	\$ 3,195,000		
A	1	22.7	Enoch Municipal Water	Iron	3,430	Upgrade system, add 58,000 ft of line	\$ 2,406,299	\$ 1,921,299	\$ 1,910,000
P		22.6	Kearns Improvement District	Salt Lake	46,000	New storage tank	\$ 8,569,000		
P		20.0	Pinon Forest	Duchesne		New system- residents haul water	\$ 21,247,000		
P		18.6	Shiloah Wells Water Company	Millard	85	New well shaft, backup generator, flow meter	\$ 32,000		
P		17.9	Austin	Sevier	150	Source, treatment, storage, waterline	\$ 1,040,000		
P		17.9	Wendover	Tooele	1,600	Waterline upgrages	\$ 833,000		
P		17.7	Pleasant Grove City	Utah	27,400	Waterline Replacement	\$ 4,000,000		
P		17.5	Draper City	Salt Lake	15,000	Storage and distribution upgrades	\$ 35,789,000		
A	1	16.8	Corrine City	Box Elder	640	1MG tank, transmission lines	\$ 3,632,750	\$ 3,632,750	\$ 3,632,750
P		16.4	Eastland SSD	San Juan	60	New well for back up purposes	\$ 500,000		
P		15.3	Newton Town	Cache	799	Spring rehabilitation, waterline upgrades	\$ 1,581,500		
P		15.3	South Rim Water	Tooele	264	Well equipment and house, new tank	\$ 600,000		
P		15.2	Midvalley Estate Water Company	Iron	700	Source, storage, distribution	\$ 500,000		
P		15.0	CUWCD- Ashley Valley	Uintah		Treatment plant upgrades	\$ 15,000,000		
P		13.7	Morgan City	Morgan	3,250	Waterline upgrades	\$ 692,026		
P		13.5	Riverdale	Weber	8,200	New well and tank, waterline upgrades	\$ 2,050,000		
P		13.0	Uintah City	Weber	1,300	Treatment	\$ 1,063,000		
P		12.8	Centerfield	Sanpete	1,200	New tank, upgrade waterlines	\$ 3,600,000		
			System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds

									Authorized
N		12.7	Rocky Ridge Town	Juab	582	New well, pump house and transmission line	\$ 1,034,000	\$ 1,024,000	
A		12.7	Town of Howell	Box Elder	250	100,000 gallon concrete tank	\$ 245,000	\$ 86,000	
P		12.6	Enterprise	Washington	1,500	New tank, upgrade waterlines	\$ 1,917,100		
P		12.6	Price River	Carbon	7,659	New tank, waterlines, treatment	\$ 2,750,000		
N		12.5	Eden Water Works	Weber	1,500	New tank and upgrading chlorination system	\$ 1,081,000	\$ 1,081,000	
A	2	12.3	East Grouse Creek Pipeline Co.	Box Elder		Well Rehabilitation & Well House	\$ 556,000		\$ 560,000
P		11.6	Manila Culinary Water Co.	Utah	2,450	Treatment and waterline upgrades	\$ 700,000		
N		11.4	North Ogden City	Utah	15,000	Waterline upgrades	\$ 746,000	\$ 746,000	
P		10.7	High Valley Water Company	Summit	850	Waterline upgrades	\$ 1,000,000		
P		10.3	City of Monticello	San Juan	2,000	Storage and distribution upgrades	\$ 1,200,000		
P		9.8	Gorgoza	Summit	4,200	Waterline upgrades	\$ 1,000,000		
P		9.7	Benson Culinary Water District	Cache	743	New tank, waterline replacement	\$ 500,000		
N		9.6	Enoch Municipal Water	Iron	3,430	Redevelop agricultural well to municipal	\$ 410,000	\$ 410,000	
P		9.3	Mapleton City	Utah	7,300	Replace distribution lines	\$ 15,339,560		
P		9.2	Greendale Water Co.	Daggett	500	Treatment system	\$ 800,000		
P		9.1	Center Creek	Wasatch	200	Pump house and pump	\$ 80,000		
P		8.3	Hurricane	Washington	8,000	Waterline replacement and new tank	\$ 5,047,899		
N		8.2	Fremont Waterworks Co.	Wayne	240	Spring redevelopment and WL upgrades	\$ 270,000		
N		8.0	Mountain Valley Water	Salt Lake	48	400,000gal Tank, Trans/Dist Pipelines	\$ 805,980	\$ 798,000	
P		7.6	Harmony Farms Water User Assoc.	Washington	300	Waterline Replacement	\$ 3,000		
P		6.7	Centerville City	Davis	16,000	Replacement well, waterline upgrades	\$ 2,965,000		
N		6.4	Tabiona Culinary Water System	Duchesne	154	Replace water meters and check valves	\$ 35,225		
P		6.1	Marble Hill Water Company	Box Elder	250	New storage tank	\$ 225,000		
N		5.0	Skyline Mountain SSD	Sanpete		2nd Home Subdivision	\$ 9,000,000	\$ 3,000,000	

			System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
p		4.5	Perry City	Box Elder	4,603	Source, storage, distribution	\$ 4,782,220		
P		4.3	Hooper Water Improvement District	Weber	16,520	Storage, waterlines, treatment	\$ 4,430,000		
N		3.8	Wolf Creek Country Club	Weber	2,000	New well	\$ 650,000	\$ 650,000	
EMERGENCY FUNDING									
A	1	100.0	Pine Valley Mtn. Farms	Washington	100	New well	\$ 315,000	\$ 315,000	\$ 325,000

Project Status	
N =	New Application
A =	Authorized
P =	Potential Project- no application

Ready To Go Status	
1=	Ready to go (environmental work completed, plans ready and they are interested)
2=	Could possibly be ready (they are interested but need to work on meeting our deadlines)
3=	Not ready and/or not interested

This table is to identify ready to proceed projects for ARRA and indicate the funding terms. I listed projects as examples. Someone else will need to prioritize them.

[illegible]

Description of Criteria and Method Used for Distribution of Loan Funds:

The complete description of the criteria and method used for distribution of funds is outlined in Utah Administrative Code (UAC) R309-705-6. As described in R309-705-6, the priority system assigns points to systems showing a deficiency in source, storage, treatment, and/or the distribution system. Points are assigned based on the relative risk of each deficiency, and are divided as applicable between health risk and compliance with SDWA. The applicant's priority points are modified by a financial factor, known as the Rate Factor, and the AGI Factor. Their calculation is shown below:

Priority rating = (Average number of points received) X (Rate Factor) X (AGI Factor)

Where: Rate Factor = (Average System Water Bill / Average State Water Bill)

AGI Factor= (State Median AGI/ System Median AGI)

The priority points for demonstrated deficiencies are multiplied by the Rate Factor and AGI Factor to arrive at a final priority rating. This method addresses financial hardships caused in less affluent communities and in those already experiencing higher water rates.

Upon arriving at a final priority rating for each applicant, each application is rated and added to the priority list. The Board may, at its option, modify a project's priority rating based on the conditions described in R309-705.

The Board sets the effective interest, hardship and/or technical assistance rate. The most current Revenue Bond Buyer Index (RBBI) is used as the base rate. Table 2 in UAC R309-705-6 is used to determine the reduction of the interest rate (or other rate) and potentially may be reduced to zero percent.

Assistance for Disadvantaged Communities:

Section 1452 (d) allows the state to provide additional loan subsidies to benefit communities meeting the State's definition of "disadvantaged" provided that for each fiscal year the total amount of loan subsidies may not exceed 30 percent of the amount of the capitalization grant for the year. In addition, the ARRA requires DWSRF to provide 50 percent of the amount of the loans funds to be provided to systems for assistance. DWSRF intends to use the same criteria to prioritize the use of the ARRA funds, with the exception of projects that are ready to proceed may be bumped ahead of others less ready to proceed.

The Board defines disadvantaged communities as those communities located in an area which has a median adjusted gross income which is less than or equal to 80% of the State's median adjusted gross income, as determined by the Utah State Tax Commission (USTC) from federal individual income tax returns excluding zero exemption returns, or where the estimated annual cost, including loan repayment costs of drinking water service for the average residential user exceeds 1.75% of the median adjusted gross income. If, in the judgment of the Board, the USTC data is insufficient, the Board may accept other measurements of the water users income (i.e. local income survey or questionnaire when there is significant difference between the number of service connections for a system and

the number of tax filing for a given zip code or city).

The amount and type of financial assistance offered by the Board will be based upon the criteria shown in R309-705-6 (2). Disadvantaged communities may receive zero-percent loans, negative interest rate loans, principal-forgiveness loans or grants. Terms for each method of financial assistance shall be determined by a Board resolution.

The Board has not set any pre-determined amount of DWSRF funds that may be used for principal forgiveness to disadvantaged communities.

Costs Incurred After Application and Prior to Execution of the Loan Agreement:

Eligible project costs incurred after application to the Board and prior to execution of the loan agreement are eligible for reimbursement. Reimbursement will only be made after the loan closing.

Municipal Bond Legal Fees:

The Board may purchase bonds of the applicant only if the bonds are accompanied by a legal opinion of a recognized municipal bond counsel selected by the Board R309-705-8 (2). The loan recipient is responsible for the legal costs. Legal costs may be paid from the loan proceeds.

Capacity Development Requirements:

Eligible Systems: The SDWA allows DWSRF assistance to publicly and privately owned community water systems and nonprofit non-community water systems other than systems owned by Federal agencies. Federal Regulations also set forth certain circumstances under which systems that will become community water systems upon completion of a project may be eligible for assistance. State Administrative Rule R309-705 "Financial Drinking Water Project Revolving Loan Program. (Effective January 1, 2004) establishes criteria for financial assistance to public drinking water system in accordance with a federal grant 42 U.S.C. 300j et seq., Federal Safe Drinking Water Act. The SDWA requires that loan recipients must demonstrate the technical, financial and managerial capacity (TFM) to comply with the SDWA and not be in significant noncompliance with any requirement of a national primary drinking water standard or variance. The State will assess TFM and compliance in accordance with State Administrative Rules for Public Drinking Water Systems R309-352 Capacity Development Program after loan applications have been received. Those systems lacking in TFM or compliance may still be eligible for a loan if the loan will address the non-compliance or the system agrees to undertake feasible and appropriate changes in operations

Environmental Reviews and Categorical Exclusions:

The State Environmental Review Process (SERP) is described in the Operating Agreement.

The Grantee, the State of Utah, may elect to partition an environmental review or Categorical Exclusion (Cat Ex) from environmental review. The procedures listed below will be followed by the State in order to evaluate if partitioning a project from environmental review is appropriate.

A. Authority:

The authority for including these procedures in the Division's Intended Use Plan (IUP) and State Environmental Review Process (SERP) is contained in the SDWA Amendments of 1996 (Pub. L. 104-182) and the guidance provided by the EPA DWSRF Program Guidelines, document # 816-R-97-005 (February 1997). In particular, see Section IV. STATE/PROJECT LEVEL AUTHORITIES, Subsection B. Environmental Reviews.

B. Procedures for Making Determination Cat Ex:

1. If the Division has reason to believe that the project falls within one of the categories listed under paragraph "C" and thereby may qualify for a Cat Ex from environmental review, the State will make a preliminary survey of the proposed project site(s).
2. During this survey the State will evaluate whether or not the project meets the criteria for a Cat Ex from environmental review.
3. If the State determines the site qualifies for Cat Ex from environmental review, it will document the justification of this determination, including a listing of the dates of activities, which led to this determination, and a statement of relevant findings.
4. Even if the project qualifies for Cat Ex from environmental review according to the criteria listed under paragraph "C", the State may require an environmental review if the State determines that an environmental review is warranted or appropriate because of conditions found at the site or because the project is controversial.

C. Criteria for Categorical Exclusion From Environmental Review:

In order for a project to qualify for an environmental determination of Cat Ex from environmental review, the general location of the project should have been previously disturbed. Site conditions which will be evaluated in making this determination include a) how urbanized the location is, b) whether wildlife has previously been displaced, and c) whether the wildlife habitual has been previously destroyed or replaced. The project site shall meet at least one of the following criteria:

1. A proposed water line will be placed in a roadway(s) and/or rights-of-ways where existing pipes, telephone wires, cables, or other facilities have previously been installed.
2. A proposed tank site will be located on a site with other previously constructed utility facilities on a previously disturbed site.
3. The proposed facilities will be located at a site with other existing community infrastructure; e.g. a booster station, pump house, water treatment plant, or similar facility within a previously disturbed area and which will not extend into sensitive areas in the ground or adjacent to the previously disturbed area.

D. Public Notice and Participation:

The State will provide public notice when a Cat Ex is issued or rescinded. However, no formal public comment period need be provided prior to the Cat Ex becoming effective.

B-3 SET-ASIDES:

The State Program Management set-aside requires a dollar for dollar match. The other set-asides do not have a match requirement. Up to 10% may be allocated to State Program Management set-aside. At least half of the State Program Management match must be additional to the amount expended by the State for public water supervision in fiscal year 1993. The State is authorized to use the amount of State funds it expended on its PWSS program in fiscal year 1993 as a credit toward meeting its match requirement. The value of this credit can be up to but not greater than 50 percent of the amount of the match that is required. It may be necessary to use some of this credit to provide the State match. General funds have been substantially reduced in FY2009 and 2010 State Legislative Session which started January 26th, 2009. DWSRF is looking for other ways to meet the one for one state match for FY2009 and in the future.

Table 6 Set-Aside and State Match Requests						
ACTIVITY		ARRA		2009 DWSRF		Total Request
Loan Fund	09DA	\$ 18,400,000	100%	\$6,842,640	100%	\$ 25,242,640
4% Administrative Set-Aside	09DD	400,000	2%	-	Bank 0%	400,000
2% Small Sys.Tech. Asst.	09DE	400,000	2%	162,920	2%	562,920
10% State Program						
PWS Supervision		600,000	3.00%	780,000	9.83%	1,380,000
Capacity Development		-	0.00%	34,600	0.17%	34,600
Source Water Protection		100,000	0.50%	-	0.00%	100,000
Operator Certification		100,000	0.50%	-	0.00%	100,000
TOTAL State Program Set-Aside	09DF	800,000	4%	814,600	10%	1,614,600
15% Local Assistance (Up to 15%)						
Local Assistance		-	0.00%		0.00%	-
Capacity Development Outreach		-	0.00%	305,490	3.90%	305,490
Source Water Assessment		-	0.00%		0.00%	-
Wellhead Protection		-	0.00%	20,350	0.10%	20,350
TOTAL Local Assistance Set-Aside	09DG	-	0.00%	325,840	4.00%	325,840
TOTALS		\$ 1,600,000	8%	\$1,303,360	16%	\$ 2,903,360
TOTAL CAPITALIZATION GRANT =		\$ 20,000,000		\$8,146,000		
State 20% Match		-		1,629,200		1,629,200
State Program Management 1 for 1		800,000		814,600		1,614,600

Set-aside funding is used to:

- Fund established programs

- Fund continuing growth

- Fund increasing operating costs

- Fund ARRA loan activities in an accelerated timeframe

And to the extent set-aside funds are available, assist in funding the additional staff needed to implement new Federal rules regarding regulation of drinking water contaminants

The state will not use set-aside funds for those projects or project-related costs that are eligible or explicitly ineligible for assistance from the Fund except the State may use set-aside funds for: 1) project planning on design costs for small systems, and 2) for costs associated with restructuring a system as part of a capacity development strategy.

Set-aside funds have been used on first awarded first used bases and will continue to do so with one exception. The ARRA set-asides will be used immediately and then the process will return to its normal course. Usage is accounted for by set-aside. Unused funds are carried forward to the next fiscal year. Set-aside funds allocated from the Federal 2008 grant will be used in state fiscal years 2009 and after.

The intended use of set-aside funds:

Maintain the staff (FTEs) hired with set-aside funds including benefits, costs allocated as a percent of personal services, and other related costs. With the extra amount of projects required to process and track due to the ARRA appropriation, it may be necessary to hire additional staff or contractors to accomplish the goal.

Continue our contract with the Rural Water Association of Utah (RWAU) to implement portions of the expanded operator certification, wellhead protection and capacity development programs. Expansion of the RWAU contract has also been discussed in conjunction with the additional needs for the ARRA funds. RWAU has also been assisting the DWSRF program with capacity development outreach activities.

Continue our contracts with the twelve local health departments to conduct sanitary surveys.

Set-aside requests and intended use:

Administration set-aside:

We are requesting \$400,000 2% of \$20,000,000 of the ARRA funds. The DWSRF 2009 award we would like to bank the 4% available. An estimate of carry-forward to SFY 2009 including the DWSRF 2008 award is \$1,535,235. The administration set-aside will fund four to five full-time equivalents (FTEs) position to operate the program in SFY 2009. The budgeted estimate to fund salary, benefits, office space, equipment, travel, training, supplies, and the indirect allocation for SFY 2009 is \$348,800. The administration set-aside does not require a state dollar for dollar match. However, the budget was created prior to the ARRA and it is anticipated costs will increase with overtime and additional labor. An exact amount has not been determined as to how much of additional funds will be needed. But we think funding will be sufficient in the amount being requested added to the carry-forward amount.

State Programs set-aside:

We are requesting \$814,600 the maximum (10% x \$8,146,000) and 4% of the ARRA funds of \$800,000 (4% x 20,000,000) as is divided to the sub-categories as listed on Table 6 (above) for a total amount of \$1,614,600. The sub-categories include PWS Supervision, Capacity Development, Operator Certification, and Source Protection. Budgeting, disbursements, and draws are accounted for by sub-categories.

The State Program set-aside requires a dollar for dollar state match. The dollar for dollar match requirement is separate and in addition to the 20 percent match added to the loan program. We anticipate being able to meet the required dollar for dollar match using the current year state general fund allotment and, if need, the credit allowed by section 1452 (g) (2) for fiscal year 1993 PWSS expenses. As previously mentioned, our general fund allotment was substantially reduced from the amount received in previous year allotments during the 2009 Legislative Session. Some of the increase will be used direWe are in the process of determining other means of state match such as technical assistance fees or service fees for activities performed in the division. RWAU may be requested to assist water systems in preparing forms, smoothing snags, or facilitating difficulties incurred by systems during the application phase of new loans.

PWS Supervision (augmentation) set-aside:

We are requesting \$780,000 from the 2009 grant and \$600,000 from the ARRA grant for a total request of \$1,380,000; we estimate a carry-forward to SFY 2009 of \$2,264,975 (which includes the 2008 set-aside awarded in July 2008). Expenditures for SFY 2009 are estimated at \$1,066,400 not including the dollar for dollar match this set-asides requires.

The PWS Supervision set-aside provides the necessary resources for the Division of Drinking Water to continue performing basic core functions such as sanitary surveys, plan reviews, compliance monitoring, groundwater source protection, and many other facets of public health protection. Growth impacts in the state combined with the adoption of the 1986 SDWA amendments and other State and Federal regulations create a tremendous workload. In addition, the ARRA grant will also impact this area in coordination efforts with the staff for the various activities required to maintain the program. The PWS Supervision set-aside funds are used to help support the additional staff. Approximately sixteen (16) FTE are supported by the PWS Supervision set-aside. The following items are also provided from the PWS Supervision set-aside funds:

1. We continue to contract with RWAU to provide two FTEs to do data input, and secretary type work to free-up scientist and engineers from filing, data input, and other non-professional duties. Funds from the PWS Supervision set-aside are used to fund a portion of the contract employees cost.
2. The State of Utah contracts with the twelve local health departments (LHD) to conduct sanitary surveys. \$106,600 is funded from the PWS Supervision set-aside and the balance is from state general funds. The LHD are currently paid \$177,200 annually.
3. The cost of a Data Processing programmer is funded by the PWS Supervision set-aside to assist with continued development and implementation of SDWIS.

Capacity Development Program:

We are requesting \$34,600 additional funds from the 2009 grant. The estimate carry-forward is \$30,104. The amount budgeted was \$26,200. This set-aside requires a dollar for dollar match.

The State of Utah has statutory authority for a capacity development program (Section 19-4-104 of the Utah SDWA). Time of one FTE, as needed, will oversee and maintain the program. The Division is current with all reports due to the Governor and USEPA.

Operator Certification Program:

The State has an Operator Certification program that has been mandatory since 1985. Prior to 1997 the program required community water systems serving more than 800 population and any public water systems treating surface water to have a certified operator. The statutory authority to reduce the threshold population from 800 to 25 was enacted by the 1997 Legislature. The new Safe Drinking Water Act requires all community and non-transient, non-community water systems and all public water systems that treat surface water to have a certified operator. As a result of lowering the mandatory threshold from 800 to 25, the number of water systems requiring certification has tripled. The most significant changes to the rules regarding have been:

- 1) certified operators for systems serving a population less than 800
- 2) operator's grade level
- 3) grandparent certification

These new guidelines were implemented by the State of Utah on February 1, 2001. Water systems had until February 1, 2003 to comply with the new rule.

USEPA published final Guidance (EPA-816-R-98-006) in July 1998 establishing national policy regarding the implementation of the operator certification related provisions of the SDWA including how EPA would assess State operator certification program for purposes of making withholding decisions.

USEPA has approved the State's operator certification program. The "Operator Certification Training Grant" was completely spent by the end of calendar year 2006.

Funding for the Operator Certification program comes from two sources:

- 1) Fees
- 2) DWSRF Operator Certification set-aside

We are requesting \$100,000 from the ARRA grant and nothing from the 2009 grant, to total \$100,000. An estimate carry forward of \$287,791. Expenditures for FY 2009 were budgeted at \$86,700. The time of one FTE is dedicated to coordinating and administering this program. The division contracts with the Rural Water Association annually to assist with operator certification training. The contract also funds staff training time and training supplies.

This set-aside requires a dollar for dollar match.

Source Protection Administration:

The SDWA Amendments of 1996 require states to develop and carry out a source water quality assessment program for all public water systems. The time of one FTE is dedicated to developing, implementing, and coordinating this program.

We are requesting \$100,000 from the ARRA grant and nothing from the 2009 grant, totaling \$100,000, plus a carry forward of \$101,825 including the 2008 grant awarded July 31, 2008. Expenditures for FY 2009 were budgeted at \$87,000. This set-aside requires a dollar for dollar match.

Small Systems Technical Assistance:

We are requesting \$162,920 the maximum allowed ($2\% \times \$8,146,000$) and \$400,000 from the ARRA grant ($2\% \times 20,000,000$) for a total of \$562,920, plus a carry forward of approximately \$287,419. Expenses for 2009 are estimated at \$250,000. The Act allows up to a total of 2% of the allotment to provide technical assistance to public water systems serving 10,000 people or fewer (section 1452(g) (2)).

The State uses the RWAU to assist the Division of Drinking Water (DDW) to accomplish the following:

Respond to DDW's inquiries regarding action taken and progress achieved with water systems which DDW's asked RWAU to assist.

Assist Water systems with financial, managerial and technical issues. Including but not limited to:

- a. Water rates & fees analysis
- b. Applying for and obtaining funding for projects
- c. Locating and securing engineering
- d. Ordinance, resolution and by-laws development

Assist systems in preparing management, conservation, financial, capital improvement, sampling and cross connection control plans. Train five water system boards and or councils in subjects related to capacity development.

Perform Financial/Management audits with water systems as requested by the system or DDW.

Publish a quarterly newsletter with articles focusing on timely news and information pertaining the capacity development.

Encourage and provide assistance to SNC (significant non-complier) type public water systems in applying for financial assistance from the Board in situation where this assistance will be helpful to the water system in returning to compliance with drinking water rules. As resources are available and as requested by the Drinking Water Board, assist water systems that have borrowed funds from the Drinking Water Board.

Continue to develop, maintain and promote the web site devoted to the Utah Water/Wastewater Assistance Response Network (UT-WARN) including data entry of systems submitting data to join the network.

Work with systems on the EPA/NRWA sanctioned “Peer Review Security Program” as requested.

The Small Systems Technical Assistance set-aside does not require a state dollar for dollar match.

Provide monthly reports to DDW showing which water systems were visited during the month by the State Circuit Rider and Management Tech, the nature of the contact, and progress made with these systems.

Local Assistance and Other State Programs:

We are requesting \$325,840 which is less than the maximum of \$1,221,900 (15% x \$8,146,000), no set-aside funds have been requested from the ARRA grant as it was not allowed in the appropriation. A carry forward balance of approximately \$716,197 is also available including the 2008 grant set-aside. It is divided into two sub-categories, capacity development and wellhead protection. Budgeting, disbursements, and draws are accounted for by sub-categories. This will fund three FTEs for implementation of local drinking water protection initiatives (section 1452(k)) and technical assistance for capacity development and wellhead protection. The 2009 budget is estimated at \$385,000.

In addition, a contract with RWAU has been entered which contains aspects of outreach, training and expanding system capabilities in which a portion may be charged against this set-aside and may include the following:

Modify and improve model County Ordinances for Water Capacity Development for new development/water systems.

Modify and improve model minimum Construction Standards for counties based on UDDW Construction Standards.

Present Capacity Development Ordinance needs to County Planning Commissions/Planners and to County/Local Health Departments.

In meeting with local planners and building permit officials, demonstrate the secure web site that displays source protection areas, explain minimum recommendations for source protection ordinances and/or provide copies of DW’s model source protection ordinance, provide education on proper management practices for development in source protection areas and encourage support for local source protection efforts.

Advise local planners of the need to submit plans to the Utah Division of Public Utilities for

review and approval prior to new development platting of all new proposals.

The Local Assistance and Other State Programs set-aside does not require a state dollar for dollar match.

C - ATTACHMENTS

Attorney General Enabling Legislation Opinion Letter
Organization Chart

D - UTAH ADMINISTRATIVE CODE RULE R309-705

Rule for Projects Receiving Assistance from the Federal DWSRF
Loan Program is available at www.drinkingwater.utah.gov

5. 4) SRF APPLICATIONS –

a) Sigurd Town – Planning – Gary Kobzeff

**DRINKING WATER BOARD
BOARD PACKET FOR PLANNING GRANT**

APPLICANT'S REQUEST:

Sigurd Town is requesting a Planning Advance in the amount of \$10,000 to update their Culinary Water System Master Plan.

STAFF COMMENTS:

Based on Sigurd Town's local MAGI of \$24,450, which is approximately 68% of the State's MAGI, staff recommends the authorization of a \$10,000 planning grant to Sigurd Town. The planning grant would allow Sigurd Town to update their Culinary Water System Master Plan to identify and properly address current and future needs of the area and their system, and to determine what facilities will allow the City to meet the needs of the community.

FINANCIAL ASSISTANCE COMMITTEE RECOMENDATION:

The Drinking Water Board authorize a \$10,000 planning grant to the Town of Sigurd to fund their master plan.

APPLICANT'S LOCATION:

Sigurd Town is located in Sevier County, approximately 100 miles south of Spanish Fork, Utah.

MAP OF APPLICANT'S LOCATION:



PLANNING DESCRIPTION/SCOPE OF WORK:

The master plan will analyze the capacity of the system in each of 5 areas: water rights, source capacity, storage capacity, distribution system capacity and treatment. The capacity of the study will be based on a 20-year planning period.

POPULATION GROWTH:

According to the Governor's Office of Planning and Budget, the Town is estimated to grow at an annual average rate of change of approximately 1% through the year 2030.

	<u>Year</u>	<u>Population</u>	<u>ERC's</u>
Current:	2008	440	177
Projected:	2030	540	217

IMPLEMENTATION SCHEDULE:

Apply to DWB for Planning Funds:	Jan 19, 2009
SRF Committee Conference Call:	Feb 14, 2009
DWB Funding Authorization:	Mar 5, 2009
Completion of Master Plan:	June 5, 2009

COST ESTIMATE:

Master Plan:	<u>\$10,000.00</u>
Total Planning Cost:	\$10,000.00

COST ALLOCATION:

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Grant	<u>\$10,000</u>	<u>100%</u>
Total Amount:	\$10,000	100%

APPLICANT:

Sigurd Town
485 North State,
P.O. Box 570064
Sigurd, Utah 84657
Telephone: 435-896-4645

PRESIDING OFFICIAL &
CONTACT PERSON:

Chad Houchlin, Mayor
485 North State.
P.O. Box 570064
Sigurd, Utah 84657
Telephone: 435-896-4645
Email: itown@xmission.com

CONSULTING ENGINEER:

Robert Worley
Sunrise Engineering, Inc.
25 East 500 North
Fillmore, Utah 84631
Telephone: (435) 743-6151
Email: rworley@sunrise-eng.com

FINANCIAL CONSULTANT:

Doug Nielson
Sunrise Engineering, Inc.
25 East 500 North
Fillmore, Utah 84631
Telephone: (435) 743-6151
Email: dnielson@sunrise-eng.com

ATTORNEY:

None Appointed

5. 4) SRF APPLICATIONS -

b) Hideout Town - Planning - Gary Kobzeff

**DRINKING WATER BOARD
BOARD PACKET FOR PLANNING LOAN**

APPLICANT'S REQUEST:

The newly formed Town of Hideout is requesting a Planning Advance in the amount of \$85,000 to study and identify required capital improvements for a town-wide drinking water system, including source supply, storage and transmission facilities. The Town wants to create its own water system and disconnect from Jordanelle SSD. The estimated cost of the study is \$85,000.

STAFF COMMENTS:

Currently, the Town of Hideout is receiving water from the Jordanelle Special Service District. The Town of Hideout is comprised of approximately 830 residents with an estimated 800 of these residents living in an apartment complex. Within this apartment complex 40% of the units are those considered low income by HUD. It is for this reason that the Town of Hideout believes the Town's MAGI is lower than the MAGI of the Town's zip code area, which is adjacent to Park City. The Town requested we use an MAGI of \$25,000, but provided no supporting documentation. As is, the Town's MAGI assigned by zip code is \$36,679, 101% of the State's MAGI. As a result, the Town would not qualify for a grant.

This type project would have a zero priority, since it is not based on any public health or compliance deficiencies. Therefore, a construction project cannot be funded and these funds would be wasted.

It opposes the Board's efforts to improve the public health and service to the public through regionalization of small systems into larger, more efficient water systems.

FINANCIAL ASSISTANCE COMMITTEE RECOMENDATION:

The Drinking Water Board not authorize a Planning Advance.

APPLICANT'S LOCATION:

The Town of Hideout is located in Wasatch County, along the northeast shore of the Jordanelle Reservoir.

MAP OF APPLICANT'S LOCATION:



PLANNING DESCRIPTION/SCOPE OF WORK:

Project tasks include review of the current culinary water source and supply situation for the existing developments within the Town; review all source and supply options available to the Town and determine the best option for the Town; Complete growth and water demand projections; master plan the desired water system, including supply, pumping, storage and delivery network improvements; identify and address water quality issues that may be pertinent to the Town's system, determine an impact fee structure to pay for these improvements; and determine an appropriate rate structure for operation and maintenance of the system.

POPULATION GROWTH:

According to the Governor's Office of Planning and Budget, Wasatch County is estimated to grow at an annual average rate of change of approximately 3% through the year 2030. Due to the recent incorporation of the Town of Hideout population projections were made using the County projection.

	<u>Year</u>	<u>Population</u>	<u>ERC's</u>
Current:	2009	830	?
Projected:	2030	1540	?

IMPLEMENTATION SCHEDULE:

Apply to DWB for Planning Funds:	Dec 29, 2008
SRF Committee Conference Call:	Feb 11, 2009
DWB Funding Authorization:	Mar 05, 2009
CIB Authorization:(unless suspend and fund)	N/A
Completion of Master Plan:	Not Known

COST ESTIMATE:

Master Plan:	<u>\$85,000</u>
Total Planning Cost:	\$85,000

COST ALLOCATION:

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan\Grant	<u>\$85,000</u>	<u>100%</u>
Total Amount:	\$85,000	100%

APPLICANT:

Town of Hideout
10860 N. Hideout Trail
Hideout, Utah 84036
Telephone: 435-655-5289

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Rich Sprung, Mayor
10860 N. Hideout Trail
Hideout, Utah 84036
Telephone: 435-655-5289
Email: Mayor@hideoututah.gov

CONSULTING ENGINEER:

Stephen Marks
Synergy Consultants
1111 E. Draper Parkway
Draper, Utah 84020
Telephone: (801) 748-1190
Email: Smarks@synergyconsultant.net

FINANCIAL CONSULTANT:

None Appointed

ATTORNEY:

Joe Tesch
Tesch Law
314 S. Main Street
Park City, Utah 84060
Telephone: 435-649-0077
Email: Joet@teschlaw.com

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN
AUTHORIZATION**

APPLICANT'S REQUEST:

Central Iron County Water Conservancy District (CICWCD) is requesting financial assistance in the amount of \$3,910,878 from the Drinking Water Board for Phase III-A of their 3-Phased project for regionalization. Phase III-A consists of a 4-million gallon storage tank and connecting to the Park West subdivision, which is on the Worst 25 list. CICWCD Phase III-A has 78.9 points on the project priority list (PPL).

STAFF COMMENTS:

Phase 3-A will include the replacement of the Park West distribution lines and will reequip the existing well to meet Drinking water standards. Service will be provided to 44 existing connections. The project will resolve Park West's current deficiencies, which are so abundant that they are listed on the Division's Worst 25 list. In addition, a 4-million gallon tank will be placed in the tank farm established during the Phase I project and will provide storage for the current system as well as connections with Enoch and Cedar City. The additional storage will be integral in providing for the needs placed on Enoch City as two of their existing tanks are failing and will be converted to secondary water. The new storage will also assist Cedar City with the problems they face in their system resulting from a very high summer demand and will also be vital for meeting CICWCD's growing demands. Currently, there are 1,400 vacant lots connected to the District and 2,500 vacant lots adjacent to the system, which the District is committed to serve.

Based on the projected water bill post construction, the City does qualify for principle forgiveness. The current water bill is approximately \$39 and the proposed water bill after construction, with a full loan, would be approximately \$116 which is 4.47% of local MAGI. These funding options are outlined below:

Loan Amount	Interest Rate	Term	% Principle Forgiveness	Principle Forgiveness Amount	Monthly User Rate	% Local MAGI
\$3,910,878	2.16%	30 yrs	20%	\$782,175	\$109.04	4.20%
\$3,910,878	2.16%	30 yrs	75%	\$2,932,878	\$89.48	3.44%
\$3,910,878	2.16%	30 yrs	75%	\$2,932,878	\$75.00*	2.89%

*The user rate of \$75/month is a result of an alternate repayment schedule that allows for interest only payments for the first 3 years. Note the interest rate was increased from 1.13%, in the original packet, to 2.16% based on an error in our calculations.

Staff is recommending the funding option shown in bold. We are proposing an alternate repayment schedule which allows for interest only payments for the first 3 years. Based on this repayment schedule, the anticipated user rate would be \$75 per month, which is 2.89% of local MAGI.

The District has experienced a decline in the amount of growth that was once projected, which has affected their anticipated revenue. As a result, it would be impossible for the District to increase their user rates to an amount that would generate enough revenue to support another large loan. Based on the Town's high position on the PPL and their outstanding regionalization efforts, staff thinks that this would be a well deserved project to fund with the Economic Recovery Appropriation, which would allow CIWCD to receive more principle forgiveness than would be possible otherwise. Also, to date the District has only received 14.8% principal forgiveness and grant, and an average interest rate of 2.31%.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

On February 11, 2009, the Financial Assistance Committee recommended that the District revise their project scope. The committee was in agreement that a 4-million gallon tank was oversized for the demands placed on the District with their current connections. The committee has asked that the District investigate the option of a smaller tank and demonstrate proper justification supporting their proposed tank size. See the revised packet showing the District's new proposal.

FUNDING HISTORY:

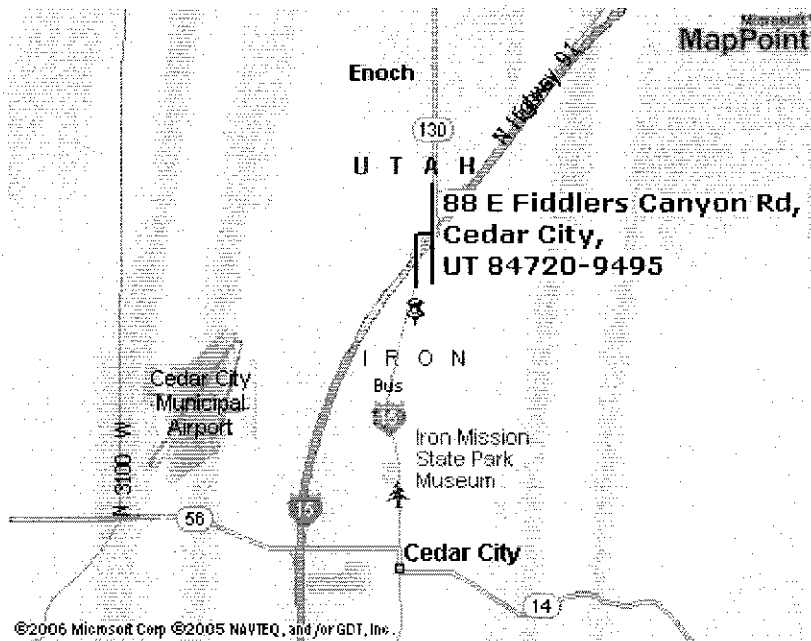
The following summarizes the funding authorized by the Drinking Water Board to CICWCD:

Date Authorized	Loan	Principle Forgiveness	Hardship Grant	Project
March 4, 2005	\$3,345,000 @2.46%	\$660,000	-	Phase I
November 17, 2006	\$3,610,000 @2.17%	-	-	Phase II
July 11, 2008	-	-	\$430,000	Skyview

APPLICANT'S LOCATION:

CICWCD is located in Cedar City in Iron County.

MAP OF APPLICANT'S LOCATION:



POSITION ON PROJECT PRIORITY LIST:

CICWCD Phase III-A has 78.9 points on the PPL.

PROJECT DESCRIPTION:

The project will include the replacement of the Park West distribution lines and will reequip the existing well to meet Drinking water standards, which will add additional capacity to the CICWCD system.

Approximately 4,000 feet of undersized pipe within the Park West subdivision will be replaced with 8-inch pipe. CICWCD's transmission line will be extended 2,000 feet to connect the Park West subdivision to the overall system. This will provide service to 44 existing connections and eliminate the current deficiencies that have resulted in the Park West subdivision being placed on the Division's Worst 25 list.

The 4-million gallon storage tank will be placed in the tank farm established during the Phase I project and will provide storage for the current system as well as connections with Enoch and Cedar City. This storage will be integral in providing for the needs that

Enoch City has as their existing tanks are converted to secondary water and to meet CICWCD growing demands.

ALTERNATIVES EVALUATED:

The consulting engineer evaluated the following system alternatives:

1. Optimizing current facilities (no action).
2. This alternative includes consolidation of the Park West and Old Meadows Ranchos subdivisions, a 3.5-million gallon Northridge tank, a transmission line to the Northridge tank, and a 4-million gallon Three Peaks tank.
3. The proposed action includes the Park West subdivision project and the 4-million gallon Three Peaks tank. This alternative was selected based on the money constraints involving the larger project. In addition, an agreement has not been reached with the Old Meadows Ranchos subdivision. Once an agreement can be negotiated with the Old Meadows Ranchos subdivision and their revenue increases resulting from increased growth, the District plans to move forward with these projects.

POPULATION GROWTH:

Nolte Engineers had originally predicted that over the next 5 years, the number of connections will increase at a rate of approximately 40%, thus increasing the observed population by the same rate. Over the remaining 25 years, the growth will settle into a 2% growth rate. However, the District has already seen a decline in anticipated growth, thus a 2% growth rate was used as the basis for our evaluation. The following are population projections bases on the Governor's Office of Planning and Budget.

	<u>Year</u>	<u>Population</u>
Current:	2008	33,779
Projected:	2030	87,644

IMPLEMENTATION SCHEDULE:

Apply to DWB for Construction Funds:	December 2008
SRF Committee Conference Call:	February 2009
DWB Funding Authorization:	March 2009
Environmental Assessment:	September 2005
Complete Design:	March 2009
Plan Approval:	April 2009
Advertise for Bids:	April 2009
Bid Opening:	May 2009
Loan Closing:	June 2009
Begin Construction:	July 2009

Complete Construction:

December 2009

Operating Permit:

December 2009

COST ESTIMATE:

Legal	\$40,000
Engineering- Planning and Design	\$196,568
Engineering- CMS	\$196,568
Construction- Park West Well House	\$300,000
Construction- Park West Waterline Upgrades	\$324,124
Construction- 4 MG Three Peaks Tank	\$2,400,000
Contingency	\$443,838
Loan Origination Fee	\$9,780
Total Project Cost	\$3,910,878

COST ALLOCATION:

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (2.16%, 30-yr)	\$978,000	25%
DWB Principle Forgiveness	\$2,932,878	75%
Total Amount	\$3,910,878	100%

ESTIMATED ANNUAL COST OF WATER SERVICE:

Operation and Maintenance plus Depreciation: \$205,000.00

Existing DW Debt Service: \$1,320,495.00

DDW Debt Service (2.16%, 30-yrs): \$44,634.16

DDW Debt Reserve: \$4,463.42

Replacement Reserve Account: \$66,912.26

Annual Cost/ERC: \$971.74

Monthly Cost/ERC: \$89.48

Cost as % MAGI: 3.44%

Monthly Cost/ERC with interest only payments for 3 years: \$75.00

Cost as %MAGI: 2.89%

SPECIAL CONDITIONS:

1. Complete all items as stated in the Engineering Agreement between CICWCD and Nolte Associates, Inc.

APPLICANT:

Central Iron County Water Conservancy District
88 East Fiddlers Canyons Road, Suite A
Cedar City, Utah 84720
Telephone: (435) 865-9901
Fax: (435) 865-9902

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Scott Wilson, Executive Director
88 East Fiddlers Canyons Road, Suite A
Cedar City, Utah 84720
Telephone: (435) 865-9901
Fax: (435) 865-9902
Email: rwilson@infowest.com

CONSULTING ENGINEER:

Kelly Crane, P.E.
Nolte Associates
870 North Main Street Suite 102
Cedar City, Utah 84721
Telephone: (435) 865-1453
Fax: (435) 865-7318
Email: kelly.crane@nolte.com

FINANCIAL CONSULTANT:

Scott Wilson, Executive Director
88 East Fiddlers Canyons Road, Suite A
Cedar City, Utah 84720
Telephone: (435) 865-9901
Fax: (435) 865-9902
Email: rwilson@infowest.com

ATTORNEY:

Richard Chamberlain
Chamberlain & Associates
225 North 100 East
Richfield, Utah 84720
Telephone: (435) 896-4461
Fax: (435) 896-5441
Email: rchmbrln@xmission.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: CICWCD
 COUNTY: Iron
 PROJECT DESCRIPTION: Park West Consolidation and 4MG tank

FUNDING SOURCE: Federal SRF

80 % Loan & 20 % P.F.

ESTIMATED POPULATION:	100	NO. OF CONNECTIONS:	481	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$39.02 *			PROJECT TOTAL:	\$3,910,878
CURRENT % OF AGI:	1.50%	FINANCIAL PTS:	71	LOAN AMOUNT:	\$3,128,703
ESTIMATED MEDIAN AGI:	\$31,172			PRINC. FORGIVENESS:	\$782,175
STATE AGI:	\$36,175			TOTAL REQUEST:	\$3,910,878
SYSTEM % OF STATE AGI:	86%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 5.72%		AFTER REPAYMENT PENALTY & POINTS 2.16%
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	5.72%		2.16%
REQUIRED DEBT SERVICE:	\$104,290.10	\$220,529.05		\$142,788.39
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$10,429.01	\$22,052.91		\$14,278.84
ANNUAL DEBT PER CONNECTION:	\$238.50	\$504.33		\$326.54
O & M + FUNDED DEPRECIATION:	\$205,000.00	\$205,000.00		\$205,000.00
OTHER DEBT + COVERAGE:	\$1,320,495.00	\$1,320,495.00		\$1,320,495.00
REPLACEMENT RESERVE ACCOUNT:	\$69,895.06	\$75,707.00		\$71,819.97
NEEDED SYSTEM INCOME:	\$470,390.06	\$476,202.00		\$472,314.97
ANNUAL O&M PER CONNECTION:	\$977.94	\$990.02		\$981.94
AVG MONTHLY WATER BILL:	\$101.37	\$124.53		\$109.04
% OF ADJUSTED GROSS INCOME:	3.90%	4.79%		4.20%

* Current water bill is based on 2008 Revenue & number of connections

CICWCD

PROPOSED BOND REPAYMENT SCHEDULE

80 % Loan & 20 % P.F.

PRINCIPAL	\$3,128,703.00	ANTICIPATED CLOSING DATE	15-Jun-09
INTEREST	2.16%	P&I PAYMT DUE	01-Jan-11
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$142,788.39	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2010	\$3,128,703.00		\$36,793.55 *	\$0.00	\$36,793.55	\$3,128,703.00	0
2011	\$3,128,703.00		\$67,579.98 *	\$0.00	\$67,579.98	\$3,128,703.00	1
2012	\$3,128,703.00		\$67,579.98 *	\$0.00	\$67,579.98	\$3,128,703.00	2
2013	\$3,128,703.00		\$150,579.98	\$83,000.00	\$67,579.98	\$3,045,703.00	3
2014	\$3,045,703.00		\$149,787.18	\$84,000.00	\$65,787.18	\$2,961,703.00	4
2015	\$2,961,703.00		\$149,972.78	\$86,000.00	\$63,972.78	\$2,875,703.00	5
2016	\$2,875,703.00		\$150,115.18	\$88,000.00	\$62,115.18	\$2,787,703.00	6
2017	\$2,787,703.00		\$150,214.38	\$90,000.00	\$60,214.38	\$2,697,703.00	7
2018	\$2,697,703.00		\$150,270.38	\$92,000.00	\$58,270.38	\$2,605,703.00	8
2019	\$2,605,703.00		\$150,283.18	\$94,000.00	\$56,283.18	\$2,511,703.00	9
2020	\$2,511,703.00		\$150,252.78	\$96,000.00	\$54,252.78	\$2,415,703.00	10
2021	\$2,415,703.00		\$150,179.18	\$98,000.00	\$52,179.18	\$2,317,703.00	11
2022	\$2,317,703.00		\$150,062.38	\$100,000.00	\$50,062.38	\$2,217,703.00	12
2023	\$2,217,703.00		\$149,902.38	\$102,000.00	\$47,902.38	\$2,115,703.00	13
2024	\$2,115,703.00		\$149,699.18	\$104,000.00	\$45,699.18	\$2,011,703.00	14
2025	\$2,011,703.00		\$150,452.78	\$107,000.00	\$43,452.78	\$1,904,703.00	15
2026	\$1,904,703.00		\$150,141.58	\$109,000.00	\$41,141.58	\$1,795,703.00	16
2027	\$1,795,703.00		\$149,787.18	\$111,000.00	\$38,787.18	\$1,684,703.00	17
2028	\$1,684,703.00		\$150,389.58	\$114,000.00	\$36,389.58	\$1,570,703.00	18
2029	\$1,570,703.00		\$149,927.18	\$116,000.00	\$33,927.18	\$1,454,703.00	19
2030	\$1,454,703.00		\$150,421.58	\$119,000.00	\$31,421.58	\$1,335,703.00	20
2031	\$1,335,703.00		\$149,851.18	\$121,000.00	\$28,851.18	\$1,214,703.00	21
2032	\$1,214,703.00		\$150,237.58	\$124,000.00	\$26,237.58	\$1,090,703.00	22
2033	\$1,090,703.00		\$149,559.18	\$126,000.00	\$23,559.18	\$964,703.00	23
2034	\$964,703.00		\$149,837.58	\$129,000.00	\$20,837.58	\$835,703.00	24
2035	\$835,703.00		\$150,051.18	\$132,000.00	\$18,051.18	\$703,703.00	25
2036	\$703,703.00		\$150,199.98	\$135,000.00	\$15,199.98	\$568,703.00	26
2037	\$568,703.00		\$150,283.98	\$138,000.00	\$12,283.98	\$430,703.00	27
2038	\$430,703.00		\$150,303.18	\$141,000.00	\$9,303.18	\$289,703.00	28
2039	\$289,703.00		\$149,257.58	\$143,000.00	\$6,257.58	\$146,703.00	29
2040	\$146,703.00		\$150,168.78	\$147,000.00	\$3,168.78	(\$297.00)	30
			\$4,374,142.69	\$3,129,000.00	\$1,245,142.69		

*Interest Only Payment

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: CICWCD

FUNDING SOURCE: Federal SRF

COUNTY: Iron

PROJECT DESCRIPTION: Park West Consolidation and 4MG tank

25 % Loan & 75 % P.F.

ESTIMATED POPULATION:	100	NO. OF CONNECTIONS:	481	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$39.02 *			PROJECT TOTAL:	\$3,910,878
CURRENT % OF AGI:	1.50%	FINANCIAL PTS:	71	LOAN AMOUNT:	\$978,000
ESTIMATED MEDIAN AGI:	\$31,172			PRINC. FORGIVENESS:	\$2,932,878
STATE AGI:	\$36,175			TOTAL REQUEST:	\$3,910,878
SYSTEM % OF STATE AGI:	86%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 5.72%		AFTER REPAYMENT PENALTY & POINTS 2.16%
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	5.72%		2.16%
REQUIRED DEBT SERVICE:	\$32,600.00	\$68,935.09		\$44,634.16
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$3,260.00	\$6,893.51		\$4,463.42
ANNUAL DEBT PER CONNECTION:	\$74.55	\$157.65		\$102.07
O & M + FUNDED DEPRECIATION:	\$205,000.00	\$205,000.00		\$205,000.00
OTHER DEBT + COVERAGE:	\$1,320,495.00	\$1,320,495.00		\$1,320,495.00
REPLACEMENT RESERVE ACCOUNT:	\$66,310.55	\$68,127.30		\$66,912.26
NEEDED SYSTEM INCOME:	\$466,805.55	\$468,622.30		\$467,407.26
ANNUAL O&M PER CONNECTION:	\$970.49	\$974.27		\$971.74
AVG MONTHLY WATER BILL:	\$87.09	\$94.33		\$89.48
% OF ADJUSTED GROSS INCOME:	3.35%	3.63%		3.44%

* Current water bill is based on 2008 Revenue & number of connections

CICWCD

PROPOSED BOND REPAYMENT SCHEDULE

25 % Loan & 75 % P.F.

PRINCIPAL	\$978,000.00	ANTICIPATED CLOSING DATE	15-Jun-09
INTEREST	2.16%	P&I PAYMT DUE	01-Jan-11
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$44,634.16	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2010	\$978,000.00		\$11,501.28 *	\$0.00	\$11,501.28	\$978,000.00	0
2011	\$978,000.00		\$21,124.80 *	\$0.00	\$21,124.80	\$978,000.00	1
2012	\$978,000.00		\$21,124.80 *	\$0.00	\$21,124.80	\$978,000.00	2
2013	\$978,000.00		\$47,124.80	\$26,000.00	\$21,124.80	\$952,000.00	3
2014	\$952,000.00		\$46,563.20	\$26,000.00	\$20,563.20	\$926,000.00	4
2015	\$926,000.00		\$47,001.60	\$27,000.00	\$20,001.60	\$899,000.00	5
2016	\$899,000.00		\$46,418.40	\$27,000.00	\$19,418.40	\$872,000.00	6
2017	\$872,000.00		\$46,835.20	\$28,000.00	\$18,835.20	\$844,000.00	7
2018	\$844,000.00		\$47,230.40	\$29,000.00	\$18,230.40	\$815,000.00	8
2019	\$815,000.00		\$46,604.00	\$29,000.00	\$17,604.00	\$786,000.00	9
2020	\$786,000.00		\$46,977.60	\$30,000.00	\$16,977.60	\$756,000.00	10
2021	\$756,000.00		\$47,329.60	\$31,000.00	\$16,329.60	\$725,000.00	11
2022	\$725,000.00		\$46,660.00	\$31,000.00	\$15,660.00	\$694,000.00	12
2023	\$694,000.00		\$46,990.40	\$32,000.00	\$14,990.40	\$662,000.00	13
2024	\$662,000.00		\$47,299.20	\$33,000.00	\$14,299.20	\$629,000.00	14
2025	\$629,000.00		\$46,586.40	\$33,000.00	\$13,586.40	\$596,000.00	15
2026	\$596,000.00		\$46,873.60	\$34,000.00	\$12,873.60	\$562,000.00	16
2027	\$562,000.00		\$47,139.20	\$35,000.00	\$12,139.20	\$527,000.00	17
2028	\$527,000.00		\$47,383.20	\$36,000.00	\$11,383.20	\$491,000.00	18
2029	\$491,000.00		\$46,605.60	\$36,000.00	\$10,605.60	\$455,000.00	19
2030	\$455,000.00		\$46,828.00	\$37,000.00	\$9,828.00	\$418,000.00	20
2031	\$418,000.00		\$47,028.80	\$38,000.00	\$9,028.80	\$380,000.00	21
2032	\$380,000.00		\$47,208.00	\$39,000.00	\$8,208.00	\$341,000.00	22
2033	\$341,000.00		\$47,365.60	\$40,000.00	\$7,365.60	\$301,000.00	23
2034	\$301,000.00		\$46,501.60	\$40,000.00	\$6,501.60	\$261,000.00	24
2035	\$261,000.00		\$46,637.60	\$41,000.00	\$5,637.60	\$220,000.00	25
2036	\$220,000.00		\$46,752.00	\$42,000.00	\$4,752.00	\$178,000.00	26
2037	\$178,000.00		\$46,844.80	\$43,000.00	\$3,844.80	\$135,000.00	27
2038	\$135,000.00		\$46,916.00	\$44,000.00	\$2,916.00	\$91,000.00	28
2039	\$91,000.00		\$46,965.60	\$45,000.00	\$1,965.60	\$46,000.00	29
2040	\$46,000.00		\$46,993.60	\$46,000.00	\$993.60	(\$0.00)	30
			\$1,367,414.88	\$978,000.00	\$389,414.88		

*Interest Only Payment

CICWCD

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	2,932,878
DWB Loan Amount:	\$	978,000
DWB Loan Term:		30
DWB Loan Interest:		2.16%
DWB Loan Payment:	\$	44,634

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	3,920,658
Existing Facility O&M Expense:	\$	205,000
Proposed Facility O&M Expense:	\$	205,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	1,056,396

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		481
Projected Growth Rate:		2.0%
Impact Fee/Connection Fee:	\$	2,500
Current Monthly User Charge:	\$	39.02
Needed Average Monthly User Charge:	\$	75.00

DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	2.0%	10	481	225,223	25,000	1,100,000	1,350,223	-	-	978,000	-	11,501	1,056,396	205,000	1,261,396	-
1	2.0%	10	491	441,900	25,000	1,100,000	1,566,900	21,125	4,463	978,000	-	21,125	1,056,396	205,000	1,286,984	1.26
2	2.0%	9	500	450,000	22,500	1,100,000	1,572,500	21,125	4,463	978,000	-	21,125	1,056,396	207,050	1,289,034	1.27
3	2.0%	10	510	459,000	25,000	1,100,000	1,584,000	47,125	4,463	952,000	26,000	21,125	1,056,396	209,121	1,317,105	1.25
4	2.0%	11	521	468,900	27,500	1,100,000	1,596,400	46,563	4,463	926,000	26,000	20,563	1,056,396	211,212	1,318,634	1.26
5	2.0%	10	531	477,900	25,000	1,100,000	1,602,900	47,002	4,463	899,000	27,000	20,002	1,056,396	213,324	1,321,185	1.26
6	2.0%	11	542	487,800	27,500	1,100,000	1,615,300	46,418	4,463	872,000	27,000	19,418	1,056,396	215,457	1,322,735	1.27
7	2.0%	11	553	497,700	27,500	1,100,000	1,625,200	46,835	4,463	844,000	28,000	18,835	1,056,396	217,612	1,325,306	1.28
8	2.0%	11	564	507,600	27,500	1,100,000	1,635,100	47,230	4,463	815,000	29,000	18,230	1,056,396	219,788	1,327,878	1.28
9	2.0%	11	575	517,500	27,500	1,100,000	1,645,000	46,604	4,463	786,000	29,000	17,604	1,056,396	221,986	1,329,449	1.29
10	2.0%	11	586	527,400	27,500	1,100,000	1,654,900	46,978	4,463	756,000	30,000	16,978	1,056,396	224,205	1,332,042	1.30
11	2.0%	12	598	538,200	30,000	1,100,000	1,668,200	47,330		725,000	31,000	16,330	1,056,396	226,448	1,330,173	1.31
12	2.0%	12	610	549,000	30,000	1,100,000	1,679,000	46,660		694,000	31,000	15,660	1,056,396	228,712	1,331,768	1.31
13	2.0%	12	622	559,800	30,000	1,100,000	1,689,800	46,990		662,000	32,000	14,990	1,056,396	230,999	1,334,386	1.32
14	2.0%	13	635	571,500	32,500	1,100,000	1,704,000	47,299		629,000	33,000	14,299	1,056,396	233,309	1,337,004	1.33
15	2.0%	12	647	582,300	30,000	1,100,000	1,712,300	46,586		596,000	33,000	13,586	1,056,396	235,642	1,338,625	1.34
16	2.0%	13	660	594,000	32,500	1,100,000	1,726,500	46,874		562,000	34,000	12,874	1,056,396	237,999	1,341,268	1.35
17	2.0%	14	674	606,600	35,000	1,100,000	1,741,600	47,139		527,000	35,000	12,139	1,056,396	240,379	1,343,914	1.36
18	2.0%	13	687	618,300	32,500	1,100,000	1,750,800	47,383		491,000	36,000	11,383	1,056,396	242,782	1,346,562	1.37
19	2.0%	14	701	630,900	35,000	1,100,000	1,765,900	46,606		455,000	36,000	10,606	1,056,396	245,210	1,348,212	1.38
20	2.0%	14	715	643,500	35,000	1,100,000	1,778,500	46,828		418,000	37,000	9,828	1,056,396	247,662	1,350,886	1.39
21	2.0%	14	729	656,100	35,000	1,100,000	1,791,100	47,029		380,000	38,000	9,029	1,056,396	250,139	1,353,564	1.40
22	2.0%	15	744	669,600	37,500	1,100,000	1,807,100	47,208		341,000	39,000	8,208	1,056,396	252,640	1,356,244	1.41
23	2.0%	14	758	682,200	35,000	1,100,000	1,817,200	47,366		301,000	40,000	7,366	1,056,396	255,167	1,358,928	1.42
24	2.0%	16	774	696,600	40,000	1,100,000	1,836,600	46,502		261,000	40,000	6,502	1,056,396	257,718	1,360,616	1.43
25	2.0%	15	789	710,100	37,500	1,100,000	1,847,600	46,638		220,000	41,000	5,638	1,056,396	260,296	1,363,329	1.44
26	2.0%	16	805	724,500	40,000	1,100,000	1,864,500	46,752		178,000	42,000	4,752	1,056,396	262,899	1,366,047	1.45
27	2.0%	16	821	738,900	40,000	1,100,000	1,878,900	46,845		135,000	43,000	3,845	1,056,396	265,528	1,368,768	1.46
28	2.0%	16	837	753,300	40,000	1,100,000	1,893,300	46,916		91,000	44,000	2,916	1,056,396	268,183	1,371,495	1.47
29	2.0%	17	854	768,600	42,500	1,100,000	1,911,100	46,966		46,000	45,000	1,966	1,056,396	270,865	1,374,226	1.49
30	2.0%	17	871	783,900	42,500	1,100,000	1,926,400	46,994		-	46,000	994	1,056,396	273,573	1,376,963	1.50

Total Paid in Debt Service = 978,000 389,415

5. 4) SRF APPLICATIONS –

c) Central Iron County WCD

2. Application Request for \$3,378,065

– Ken Wilde

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN
AUTHORIZATION**

APPLICANT'S REQUEST:

Central Iron County Water Conservancy District (CICWCD) is requesting financial assistance in the amount of \$3,378,065 from the Drinking Water Board for Phase III-A of their 3-Phased project for regionalization. Phase III-A consists of a 2-million gallon storage tank, transmission line and connecting to the Park West subdivision, which is on the Worst 25 list. CICWCD Phase III-A has 78.9 points on the project priority list (PPL).

STAFF COMMENTS:

Phase 3-A will include the replacement of the Park West distribution lines and will reequip the existing well to meet Drinking water standards. Service will be provided to 44 existing connections. The project will resolve Park West's current deficiencies, which are so abundant that they are listed on the Division's Worst 25 list. In addition, a 2-million gallon tank will be constructed on the Northridge site and will provide storage for the current system as well as connections with Enoch and Cedar City. The additional storage will be integral in providing for the needs placed on Enoch City as two of their existing tanks are failing and will be converted to secondary water. The new storage will also assist Cedar City with the problems they face in their system resulting from a very high summer demand and will be vital for meeting CICWCD's growing demands. Currently, there are 1,400 vacant lots connected to the District and 2,500 vacant lots adjacent to the system, which the District is committed to serve. The storage demand for just the 1,400 lots that are currently connected to the District is 1,738,554 gallons, which includes indoor and outdoor demands.

The District originally requested funding for a 4-million gallon tank; however, the Financial Assistance Committee felt that this was oversized for their current connections. The District feels that a 4-million gallon tank is needed and can be justified, but they are willing to scale down the project to a 2-million gallon tank based on the Committee's request.

Based on the projected water bill post construction, the City does qualify for principle forgiveness. The current water bill is approximately \$39 and the proposed water bill after construction, with a full loan, would be approximately \$111 which is 4.28% of local MAGI. These funding options are outlined below:

Loan Amount	Interest Rate	Term	% Principle Forgiveness	Principle Forgiveness Amount	Monthly User Rate	% Local MAGI
\$3,378,065	2.16%	30 yrs	20%	\$675,065	\$105.17	4.05%
\$3,378,065	2.16%	30 yrs	75%	\$2,533,065	\$88.28	3.4%
\$3,378,065	2.16%	30 yrs	75%	\$2,533,065	\$73.00*	2.81%

*The user rate of \$73/month is a result of an alternate repayment schedule that allows for interest only payments for the first 3 years. Note the interest rate was increased from 1.13%, in the original packet, to 2.16% based on an error in our calculations.

Staff is recommending the funding option shown in bold. We are proposing an alternate repayment schedule which allows for interest only payments for the first 3 years. Based on this repayment schedule, the anticipated user rate would be \$73 per month, which is 2.81% of local MAGI.

The District has experienced a decline in the amount of growth that was once projected, which has affected their anticipated revenue. As a result, it would be impossible for the District to increase their user rates to an amount that would generate enough revenue to support another large loan. Based on the Town's high position on the PPL and their outstanding regionalization efforts, staff thinks that this would be a well deserved project to fund with the Economic Recovery Appropriation, which would allow CIWCD to receive more principle forgiveness than would be possible otherwise. Also, to date the District has only received 14.8% principal forgiveness and grant, and an average interest rate of 2.31%.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

FUNDING HISTORY:

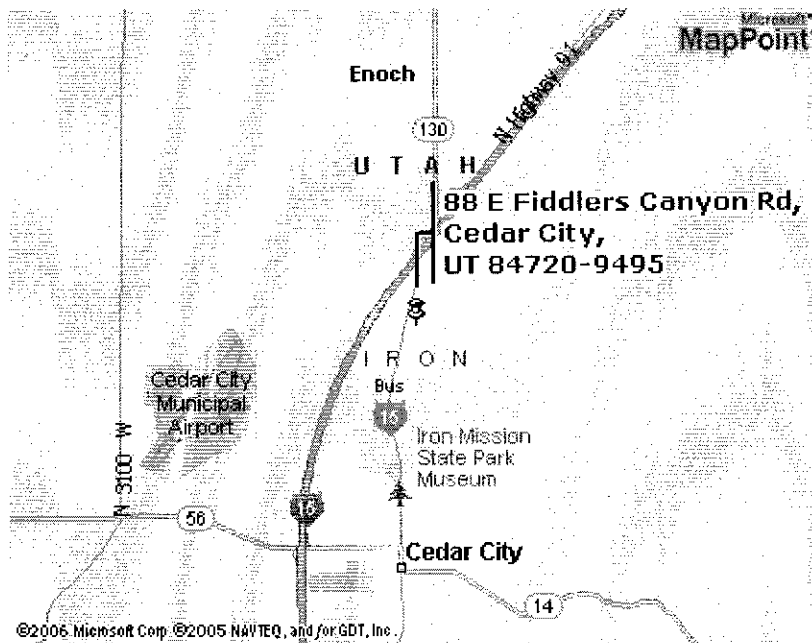
The following summarizes the funding authorized by the Drinking Water Board to CICWCD:

Date Authorized	Loan	Principle Forgiveness	Hardship Grant	Project
March 4, 2005	\$3,345,000 @2.46%	\$660,000	-	Phase I
November 17, 2006	\$3,610,000 @2.17%	-	-	Phase II
July 11, 2008	-	-	\$430,000	Skyview

APPLICANT'S LOCATION:

CICWCD is located in Cedar City in Iron County.

MAP OF APPLICANT'S LOCATION:



POSITION ON PROJECT PRIORITY LIST:

CICWCD Phase III-A has 78.9 points on the PPL.

PROJECT DESCRIPTION:

The project will include the replacement of the Park West distribution lines and will reequip the existing well to meet Drinking water standards, which will add additional capacity to the CICWCD system.

Approximately 4,000 feet of undersized pipe within the Park West subdivision will be replaced with 8-inch pipe. CICWCD's transmission line will be extended 2,000 feet to connect the Park West subdivision to the overall system. This will provide service to 44 existing connections and eliminate the current deficiencies that have resulted in the Park West subdivision being placed on the Division's Worst 25 list.

A 2-million gallon tank will be constructed on the Northridge site and will provide storage for the current system as well as connections with Enoch and Cedar City. The additional storage will be integral in providing for the needs placed on Enoch City as two of their existing tanks are failing and will be converted to secondary water. The new storage will also assist Cedar City with the problems they face in their system resulting

from a very high summer demand and will also be vital for meeting CICWCD's growing demands. Currently, there are 1,400 vacant lots connected to the District and 2,500 vacant lots adjacent to the system, which the District is committed to serve. The storage demand for just the 1,400 lots that are currently connected to the District is 1,738,554 gallons, which includes indoor and outdoor demands.

ALTERNATIVES EVALUATED:

The consulting engineer evaluated the following system alternatives:

1. Optimizing current facilities (no action).
2. This alternative includes consolidation of the Park West and Old Meadows Ranchos subdivisions, a 3.5-million gallon Northridge tank, a transmission line to the Northridge tank, and a 4-million gallon Three Peaks tank.
3. This alternative includes the Park West subdivision project and a 4-million gallon Three Peaks tank. The 4-million gallon tank would be integral in providing for the needs placed on Enoch City as two of their existing tanks are failing and will be converted to secondary water. The new storage will also assist Cedar City with the problems they face in their system resulting from a very high summer demand and will also be vital for meeting CICWCD's growing demands.
4. This alternative includes the Park West subdivision project and a 2-million gallon Northridge tank. This alternative was explored in response to feedback from the Financial Assistance Committee that a 4-million gallon tank was oversized for their current connections.

POPULATION GROWTH:

Nolte Engineers had originally predicted that over the next 5 years, the number of connections will increase at a rate of approximately 40%, thus increasing the observed population by the same rate. Over the remaining 25 years, the growth will settle into a 2% growth rate. However, the District has already seen a decline in anticipated growth, thus a 2% growth rate was used as the basis for our evaluation. The following are population projections bases on the Governor's Office of Planning and Budget.

	<u>Year</u>	<u>Population</u>
Current:	2008	33,779
Projected:	2030	87,644

IMPLEMENTATION SCHEDULE:

Apply to DWB for Construction Funds:	December 2008
SRF Committee Conference Call:	February 2009
DWB Funding Authorization:	March 2009
Environmental Assessment:	September 2005
Complete Design:	March 2009
Plan Approval:	April 2009
Advertise for Bids:	April 2009
Bid Opening:	May 2009
Loan Closing:	June 2009
Begin Construction:	July 2009
Complete Construction:	December 2009
Operating Permit:	December 2009

COST ESTIMATE:

Legal	\$40,000
Engineering- Planning and Design	\$169,176
Engineering- CMS	\$169,176
Construction- Park West Well House	\$300,000
Construction- Park West Waterline Upgrades	\$324,124
Construction- 2 MG Northridge Tank	\$1,608,000
Construction- Line to Northridge Tank	\$370,583
Contingency	\$390,246
Loan Origination Fee	\$6,760
Total Project Cost	\$3,378,065

COST ALLOCATION:

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (2.16%, 30-yr)	\$845,000	25%
DWB Principle Forgiveness	<u>\$2,533,065</u>	<u>75%</u>
Total Amount	\$3,378,065	100%

ESTIMATED ANNUAL COST OF WATER SERVICE:

Operation and Maintenance plus Depreciation: \$205,000.00

Existing DW Debt Service: \$1,320,495.00

DDW Debt Service (2.16%, 30-yrs): \$38,564.28

DDW Debt Reserve: \$3,856.43

Replacement Reserve Account: \$66,608.76

Annual Cost/ERC: \$971.11

Monthly Cost/ERC: \$88.28

Cost as % MAGI: 3.40%

Monthly Cost/ERC with interest only payments for 3 years: \$73.00

Cost as %MAGI: 2.81%

SPECIAL CONDITIONS:

1. Complete all items as stated in the Engineering Agreement between CICWCD and Nolte Associates, Inc.

APPLICANT:

Central Iron County Water Conservancy District
88 East Fiddlers Canyons Road, Suite A
Cedar City, Utah 84720
Telephone: (435) 865-9901
Fax: (435) 865-9902

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Scott Wilson, Executive Director
88 East Fiddlers Canyons Road, Suite A
Cedar City, Utah 84720
Telephone: (435) 865-9901
Fax: (435) 865-9902
Email: rwilson@infowest.com

CONSULTING ENGINEER:

Kelly Crane, P.E.
Nolte Associates
870 North Main Street Suite 102
Cedar City, Utah 84721
Telephone: (435) 865-1453
Fax: (435) 865-7318
Email: kelly.crane@nolte.com

FINANCIAL CONSULTANT:

Scott Wilson, Executive Director
88 East Fiddlers Canyons Road, Suite A
Cedar City, Utah 84720
Telephone: (435) 865-9901
Fax: (435) 865-9902
Email: rwilson@infowest.com

ATTORNEY:

Richard Chamberlain
Chamberlain & Associates
225 North 100 East
Richfield, Utah 84720
Telephone: (435) 896-4461
Fax: (435) 896-5441
Email: rchmbrln@xmission.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: CICWCD

FUNDING SOURCE: Federal SRF

COUNTY: Iron

PROJECT DESCRIPTION: Park West Consolidation and 2MG tank

80 % Loan & 20 % P.F.

ESTIMATED POPULATION:	100	NO. OF CONNECTIONS:	481	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$39.02 *			PROJECT TOTAL:	\$3,378,065
CURRENT % OF AGI:	1.50%	FINANCIAL PTS:	71	LOAN AMOUNT:	\$2,703,000
ESTIMATED MEDIAN AGI:	\$31,172			PRINC. FORGIVENESS:	\$675,065
STATE AGI:	\$36,175			TOTAL REQUEST:	\$3,378,065
SYSTEM % OF STATE AGI:	86%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 5.72%		AFTER REPAYMENT PENALTY & POINTS 2.16%
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	5.72%		2.16%
REQUIRED DEBT SERVICE:	\$90,100.00	\$190,523.04		\$123,360.07
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$9,010.00	\$19,052.30		\$12,336.01
ANNUAL DEBT PER CONNECTION:	\$206.05	\$435.71		\$282.11
O & M + FUNDED DEPRECIATION:	\$205,000.00	\$205,000.00		\$205,000.00
OTHER DEBT + COVERAGE:	\$1,320,495.00	\$1,320,495.00		\$1,320,495.00
REPLACEMENT RESERVE ACCOUNT:	\$69,185.55	\$74,206.70		\$70,848.55
NEEDED SYSTEM INCOME:	\$469,680.55	\$474,701.70		\$471,343.55
ANNUAL O&M PER CONNECTION:	\$976.47	\$986.91		\$979.92
AVG MONTHLY WATER BILL:	\$98.54	\$118.55		\$105.17
% OF ADJUSTED GROSS INCOME:	3.79%	4.56%		4.05%

* Current water bill is based on 2008 Revenue & number of connections

CICWCD

PROPOSED BOND REPAYMENT SCHEDULE

80 % Loan & 20 % P.F.

PRINCIPAL	\$2,703,000.00	ANTICIPATED CLOSING DATE	15-Jun-09
INTEREST	2.16%	P&I PAYMT DUE	01-Jan-11
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$123,360.07	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2010	\$2,703,000.00		\$31,787.28 *	\$0.00	\$31,787.28	\$2,703,000.00	0
2011	\$2,703,000.00		\$58,384.80 *	\$0.00	\$58,384.80	\$2,703,000.00	1
2012	\$2,703,000.00		\$58,384.80 *	\$0.00	\$58,384.80	\$2,703,000.00	2
2013	\$2,703,000.00		\$129,384.80	\$71,000.00	\$58,384.80	\$2,632,000.00	3
2014	\$2,632,000.00		\$129,851.20	\$73,000.00	\$56,851.20	\$2,559,000.00	4
2015	\$2,559,000.00		\$129,274.40	\$74,000.00	\$55,274.40	\$2,485,000.00	5
2016	\$2,485,000.00		\$129,676.00	\$76,000.00	\$53,676.00	\$2,409,000.00	6
2017	\$2,409,000.00		\$130,034.40	\$78,000.00	\$52,034.40	\$2,331,000.00	7
2018	\$2,331,000.00		\$129,349.60	\$79,000.00	\$50,349.60	\$2,252,000.00	8
2019	\$2,252,000.00		\$129,643.20	\$81,000.00	\$48,643.20	\$2,171,000.00	9
2020	\$2,171,000.00		\$129,893.60	\$83,000.00	\$46,893.60	\$2,088,000.00	10
2021	\$2,088,000.00		\$130,100.80	\$85,000.00	\$45,100.80	\$2,003,000.00	11
2022	\$2,003,000.00		\$129,264.80	\$86,000.00	\$43,264.80	\$1,917,000.00	12
2023	\$1,917,000.00		\$129,407.20	\$88,000.00	\$41,407.20	\$1,829,000.00	13
2024	\$1,829,000.00		\$129,506.40	\$90,000.00	\$39,506.40	\$1,739,000.00	14
2025	\$1,739,000.00		\$129,562.40	\$92,000.00	\$37,562.40	\$1,647,000.00	15
2026	\$1,647,000.00		\$129,575.20	\$94,000.00	\$35,575.20	\$1,553,000.00	16
2027	\$1,553,000.00		\$129,544.80	\$96,000.00	\$33,544.80	\$1,457,000.00	17
2028	\$1,457,000.00		\$129,471.20	\$98,000.00	\$31,471.20	\$1,359,000.00	18
2029	\$1,359,000.00		\$129,354.40	\$100,000.00	\$29,354.40	\$1,259,000.00	19
2030	\$1,259,000.00		\$130,194.40	\$103,000.00	\$27,194.40	\$1,156,000.00	20
2031	\$1,156,000.00		\$129,969.60	\$105,000.00	\$24,969.60	\$1,051,000.00	21
2032	\$1,051,000.00		\$129,701.60	\$107,000.00	\$22,701.60	\$944,000.00	22
2033	\$944,000.00		\$129,390.40	\$109,000.00	\$20,390.40	\$835,000.00	23
2034	\$835,000.00		\$130,036.00	\$112,000.00	\$18,036.00	\$723,000.00	24
2035	\$723,000.00		\$129,616.80	\$114,000.00	\$15,616.80	\$609,000.00	25
2036	\$609,000.00		\$130,154.40	\$117,000.00	\$13,154.40	\$492,000.00	26
2037	\$492,000.00		\$129,627.20	\$119,000.00	\$10,627.20	\$373,000.00	27
2038	\$373,000.00		\$130,056.80	\$122,000.00	\$8,056.80	\$251,000.00	28
2039	\$251,000.00		\$129,421.60	\$124,000.00	\$5,421.60	\$127,000.00	29
2040	\$127,000.00		\$129,743.20	\$127,000.00	\$2,743.20	\$0.00	30
			\$3,779,363.28	\$2,703,000.00	\$1,076,363.28		

*Interest Only Payment

CICWCD

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	675,065
DWB Loan Amount:	\$	2,703,000
DWB Loan Term:		30
DWB Loan Interest:		2.16%
DWB Loan Payment:	\$	123,360

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	3,405,095
Existing Facility O&M Expense:	\$	205,000
Proposed Facility O&M Expense:	\$	205,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	1,056,396

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		481
Projected Growth Rate:		2.0%
Impact Fee/Connection Fee:	\$	2,500
Current Monthly User Charge:	\$	39.02
Needed Average Monthly User Charge:	\$	105.17

DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	2.0%	10	481	225,223	25,000	1,100,000	1,350,223	-	-	2,703,000	-	31,787	1,056,396	205,000	1,261,396	-
1	2.0%	10	491	619,662	25,000	1,100,000	1,744,662	58,385	12,336	2,703,000	-	58,385	1,056,396	205,000	1,332,117	1.38
2	2.0%	9	500	631,020	22,500	1,100,000	1,753,520	58,385	12,336	2,703,000	-	58,385	1,056,396	207,050	1,334,167	1.39
3	2.0%	10	510	643,640	25,000	1,100,000	1,768,640	129,385	12,336	2,632,000	71,000	58,385	1,056,396	209,121	1,407,237	1.32
4	2.0%	11	521	657,523	27,500	1,100,000	1,785,023	129,851	12,336	2,559,000	73,000	56,851	1,056,396	211,212	1,409,795	1.33
5	2.0%	10	531	670,143	25,000	1,100,000	1,795,143	129,274	12,336	2,485,000	74,000	55,274	1,056,396	213,324	1,411,330	1.33
6	2.0%	11	542	684,026	27,500	1,100,000	1,811,526	129,676	12,336	2,409,000	76,000	53,676	1,056,396	215,457	1,413,865	1.35
7	2.0%	11	553	697,908	27,500	1,100,000	1,825,408	130,034	12,336	2,331,000	78,000	52,034	1,056,396	217,612	1,416,378	1.36
8	2.0%	11	564	711,791	27,500	1,100,000	1,839,291	129,350	12,336	2,252,000	79,000	50,350	1,056,396	219,788	1,417,869	1.37
9	2.0%	11	575	725,673	27,500	1,100,000	1,853,173	129,643	12,336	2,171,000	81,000	48,643	1,056,396	221,986	1,420,361	1.38
10	2.0%	11	586	739,555	27,500	1,100,000	1,867,055	129,894	12,336	2,088,000	83,000	46,894	1,056,396	224,205	1,422,831	1.38
11	2.0%	12	598	754,700	30,000	1,100,000	1,884,700	130,101		2,003,000	85,000	45,101	1,056,396	226,448	1,412,944	1.40
12	2.0%	12	610	769,844	30,000	1,100,000	1,899,844	129,265		1,917,000	86,000	43,265	1,056,396	228,712	1,414,373	1.41
13	2.0%	12	622	784,989	30,000	1,100,000	1,914,989	129,407		1,829,000	88,000	41,407	1,056,396	230,999	1,416,802	1.42
14	2.0%	13	635	801,395	32,500	1,100,000	1,933,895	129,506		1,739,000	90,000	39,506	1,056,396	233,309	1,419,212	1.43
15	2.0%	12	647	816,540	30,000	1,100,000	1,946,540	129,562		1,647,000	92,000	37,562	1,056,396	235,642	1,421,601	1.44
16	2.0%	13	660	832,946	32,500	1,100,000	1,965,446	129,575		1,553,000	94,000	35,575	1,056,396	237,999	1,423,970	1.46
17	2.0%	14	674	850,615	35,000	1,100,000	1,985,615	129,545		1,457,000	96,000	33,545	1,056,396	240,379	1,426,319	1.47
18	2.0%	13	687	867,021	32,500	1,100,000	1,999,521	129,471		1,359,000	98,000	31,471	1,056,396	242,782	1,428,650	1.48
19	2.0%	14	701	884,690	35,000	1,100,000	2,019,690	129,354		1,259,000	100,000	29,354	1,056,396	245,210	1,430,961	1.50
20	2.0%	14	715	902,359	35,000	1,100,000	2,037,359	130,194		1,156,000	103,000	27,194	1,056,396	247,662	1,434,253	1.51
21	2.0%	14	729	920,027	35,000	1,100,000	2,055,027	129,970		1,051,000	105,000	24,970	1,056,396	250,139	1,436,505	1.52
22	2.0%	15	744	938,958	37,500	1,100,000	2,076,458	129,702		944,000	107,000	22,702	1,056,396	252,640	1,438,738	1.54
23	2.0%	14	758	956,626	35,000	1,100,000	2,091,626	129,390		835,000	109,000	20,390	1,056,396	255,167	1,440,953	1.55
24	2.0%	16	774	976,819	40,000	1,100,000	2,116,819	130,036		723,000	112,000	18,036	1,056,396	257,718	1,444,150	1.57
25	2.0%	15	789	995,750	37,500	1,100,000	2,133,250	129,617		609,000	114,000	15,617	1,056,396	260,296	1,446,308	1.58
26	2.0%	16	805	1,015,942	40,000	1,100,000	2,155,942	130,154		492,000	117,000	13,154	1,056,396	262,899	1,449,449	1.60
27	2.0%	16	821	1,036,135	40,000	1,100,000	2,176,135	129,627		373,000	119,000	10,627	1,056,396	265,528	1,451,551	1.61
28	2.0%	16	837	1,056,327	40,000	1,100,000	2,196,327	130,057		251,000	122,000	8,057	1,056,396	268,183	1,454,636	1.63
29	2.0%	17	854	1,077,782	42,500	1,100,000	2,220,282	129,422		127,000	124,000	5,422	1,056,396	270,865	1,456,682	1.64
30	2.0%	17	871	1,099,237	42,500	1,100,000	2,241,737	129,743		-	127,000	2,743	1,056,396	273,573	1,459,712	1.66

Total Paid in Debt Service = 2,703,000 1,076,363

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: CICWCD
 COUNTY: Iron
 PROJECT DESCRIPTION: Park West Consolidation and 2MG tank

FUNDING SOURCE: Federal SRF

25 % Loan & 75 % P.F.

ESTIMATED POPULATION:	100	NO. OF CONNECTIONS:	481	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$39.02 *			PROJECT TOTAL:	\$3,378,065
CURRENT % OF AGI:	1.50%	FINANCIAL PTS:	71	LOAN AMOUNT:	\$845,000
ESTIMATED MEDIAN AGI:	\$31,172			PRINC. FORGIVENESS:	\$2,533,065
STATE AGI:	\$36,175			TOTAL REQUEST:	\$3,378,065
SYSTEM % OF STATE AGI:	86%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 5.72%		AFTER REPAYMENT PENALTY & POINTS 2.16%
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	5.72%		2.16%
REQUIRED DEBT SERVICE:	\$28,166.67	\$59,560.48		\$38,564.28
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$2,816.67	\$5,956.05		\$3,856.43
ANNUAL DEBT PER CONNECTION:	\$64.41	\$136.21		\$88.19
O & M + FUNDED DEPRECIATION:	\$205,000.00	\$205,000.00		\$205,000.00
OTHER DEBT + COVERAGE:	\$1,320,495.00	\$1,320,495.00		\$1,320,495.00
REPLACEMENT RESERVE ACCOUNT:	\$66,088.88	\$67,658.57		\$66,608.76
NEEDED SYSTEM INCOME:	\$466,583.88	\$468,153.57		\$467,103.76
ANNUAL O&M PER CONNECTION:	\$970.03	\$973.29		\$971.11
AVG MONTHLY WATER BILL:	\$86.20	\$92.46		\$88.28
% OF ADJUSTED GROSS INCOME:	3.32%	3.56%		3.40%

* Current water bill is based on 2008 Revenue & number of connections

CICWCD

PROPOSED BOND REPAYMENT SCHEDULE

25 % Loan & 75 % P.F.

PRINCIPAL	\$845,000.00	ANTICIPATED CLOSING DATE	15-Jun-09
INTEREST	2.16%	P&I PAYMT DUE	01-Jan-11
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$38,564.28	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2010	\$845,000.00		\$9,937.20 *	\$0.00	\$9,937.20	\$845,000.00	0
2011	\$845,000.00		\$18,252.00 *	\$0.00	\$18,252.00	\$845,000.00	1
2012	\$845,000.00		\$18,252.00 *	\$0.00	\$18,252.00	\$845,000.00	2
2013	\$845,000.00		\$40,252.00	\$22,000.00	\$18,252.00	\$823,000.00	3
2014	\$823,000.00		\$40,776.80	\$23,000.00	\$17,776.80	\$800,000.00	4
2015	\$800,000.00		\$40,280.00	\$23,000.00	\$17,280.00	\$777,000.00	5
2016	\$777,000.00		\$40,783.20	\$24,000.00	\$16,783.20	\$753,000.00	6
2017	\$753,000.00		\$40,264.80	\$24,000.00	\$16,264.80	\$729,000.00	7
2018	\$729,000.00		\$40,746.40	\$25,000.00	\$15,746.40	\$704,000.00	8
2019	\$704,000.00		\$40,206.40	\$25,000.00	\$15,206.40	\$679,000.00	9
2020	\$679,000.00		\$40,666.40	\$26,000.00	\$14,666.40	\$653,000.00	10
2021	\$653,000.00		\$40,104.80	\$26,000.00	\$14,104.80	\$627,000.00	11
2022	\$627,000.00		\$40,543.20	\$27,000.00	\$13,543.20	\$600,000.00	12
2023	\$600,000.00		\$40,960.00	\$28,000.00	\$12,960.00	\$572,000.00	13
2024	\$572,000.00		\$40,355.20	\$28,000.00	\$12,355.20	\$544,000.00	14
2025	\$544,000.00		\$40,750.40	\$29,000.00	\$11,750.40	\$515,000.00	15
2026	\$515,000.00		\$40,124.00	\$29,000.00	\$11,124.00	\$486,000.00	16
2027	\$486,000.00		\$40,497.60	\$30,000.00	\$10,497.60	\$456,000.00	17
2028	\$456,000.00		\$40,849.60	\$31,000.00	\$9,849.60	\$425,000.00	18
2029	\$425,000.00		\$40,180.00	\$31,000.00	\$9,180.00	\$394,000.00	19
2030	\$394,000.00		\$40,510.40	\$32,000.00	\$8,510.40	\$362,000.00	20
2031	\$362,000.00		\$40,819.20	\$33,000.00	\$7,819.20	\$329,000.00	21
2032	\$329,000.00		\$41,106.40	\$34,000.00	\$7,106.40	\$295,000.00	22
2033	\$295,000.00		\$40,372.00	\$34,000.00	\$6,372.00	\$261,000.00	23
2034	\$261,000.00		\$40,637.60	\$35,000.00	\$5,637.60	\$226,000.00	24
2035	\$226,000.00		\$40,881.60	\$36,000.00	\$4,881.60	\$190,000.00	25
2036	\$190,000.00		\$40,104.00	\$36,000.00	\$4,104.00	\$154,000.00	26
2037	\$154,000.00		\$40,326.40	\$37,000.00	\$3,326.40	\$117,000.00	27
2038	\$117,000.00		\$40,527.20	\$38,000.00	\$2,527.20	\$79,000.00	28
2039	\$79,000.00		\$40,706.40	\$39,000.00	\$1,706.40	\$40,000.00	29
2040	\$40,000.00		\$40,864.00	\$40,000.00	\$864.00	\$0.00	30
			\$1,181,637.20	\$845,000.00	\$336,637.20		

*Interest Only Payment

CICWCD

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	2,533,065
DWB Loan Amount:	\$	845,000
DWB Loan Term:		30
DWB Loan Interest:		2.16%
DWB Loan Payment:	\$	38,564

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	3,386,515
Existing Facility O&M Expense:	\$	205,000
Proposed Facility O&M Expense:	\$	205,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	1,056,396

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		481
Projected Growth Rate:		2.0%
Impact Fee/Connection Fee:	\$	2,500
Current Monthly User Charge:	\$	39.02
Needed Average Monthly User Charge:	\$	73.00

DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	2.0%	10	481	225,223	25,000	1,100,000	1,350,223	-	-	845,000	-	9,937	1,056,396	205,000	1,261,396	-
1	2.0%	10	491	430,116	25,000	1,100,000	1,555,116	18,252	3,856	845,000	-	18,252	1,056,396	205,000	1,283,504	1.26
2	2.0%	9	500	438,000	22,500	1,100,000	1,560,500	18,252	3,856	845,000	-	18,252	1,056,396	207,050	1,285,554	1.26
3	2.0%	10	510	446,760	25,000	1,100,000	1,571,760	40,252	3,856	823,000	22,000	18,252	1,056,396	209,121	1,309,625	1.24
4	2.0%	11	521	456,396	27,500	1,100,000	1,583,896	40,777	3,856	800,000	23,000	17,777	1,056,396	211,212	1,312,241	1.25
5	2.0%	10	531	465,156	25,000	1,100,000	1,590,156	40,280	3,856	777,000	23,000	17,280	1,056,396	213,324	1,313,856	1.26
6	2.0%	11	542	474,792	27,500	1,100,000	1,602,292	40,783	3,856	753,000	24,000	16,783	1,056,396	215,457	1,316,493	1.26
7	2.0%	11	553	484,428	27,500	1,100,000	1,611,928	40,265	3,856	729,000	24,000	16,265	1,056,396	217,612	1,318,129	1.27
8	2.0%	11	564	494,064	27,500	1,100,000	1,621,564	40,746	3,856	704,000	25,000	15,746	1,056,396	219,788	1,320,787	1.28
9	2.0%	11	575	503,700	27,500	1,100,000	1,631,200	40,206	3,856	679,000	25,000	15,206	1,056,396	221,986	1,322,444	1.29
10	2.0%	11	586	513,336	27,500	1,100,000	1,640,836	40,666	3,856	653,000	26,000	14,666	1,056,396	224,205	1,325,124	1.29
11	2.0%	12	598	523,848	30,000	1,100,000	1,653,848	40,105		627,000	26,000	14,105	1,056,396	226,448	1,322,948	1.30
12	2.0%	12	610	534,360	30,000	1,100,000	1,664,360	40,543		600,000	27,000	13,543	1,056,396	228,712	1,325,651	1.31
13	2.0%	12	622	544,872	30,000	1,100,000	1,674,872	40,960		572,000	28,000	12,960	1,056,396	230,999	1,328,355	1.32
14	2.0%	13	635	556,260	32,500	1,100,000	1,688,760	40,355		544,000	28,000	12,355	1,056,396	233,309	1,330,060	1.33
15	2.0%	12	647	566,772	30,000	1,100,000	1,696,772	40,750		515,000	29,000	11,750	1,056,396	235,642	1,332,789	1.33
16	2.0%	13	660	578,160	32,500	1,100,000	1,710,660	40,124		486,000	29,000	11,124	1,056,396	237,999	1,334,519	1.34
17	2.0%	14	674	590,424	35,000	1,100,000	1,725,424	40,498		456,000	30,000	10,498	1,056,396	240,379	1,337,272	1.35
18	2.0%	13	687	601,812	32,500	1,100,000	1,734,312	40,850		425,000	31,000	9,850	1,056,396	242,782	1,340,028	1.36
19	2.0%	14	701	614,076	35,000	1,100,000	1,749,076	40,180		394,000	31,000	9,180	1,056,396	245,210	1,341,786	1.37
20	2.0%	14	715	626,340	35,000	1,100,000	1,761,340	40,510		362,000	32,000	8,510	1,056,396	247,662	1,344,569	1.38
21	2.0%	14	729	638,604	35,000	1,100,000	1,773,604	40,819		329,000	33,000	7,819	1,056,396	250,139	1,347,354	1.39
22	2.0%	15	744	651,744	37,500	1,100,000	1,789,244	41,106		295,000	34,000	7,106	1,056,396	252,640	1,350,143	1.40
23	2.0%	14	758	664,008	35,000	1,100,000	1,799,008	40,372		261,000	34,000	6,372	1,056,396	255,167	1,351,935	1.41
24	2.0%	16	774	678,024	40,000	1,100,000	1,818,024	40,638		226,000	35,000	5,638	1,056,396	257,718	1,354,752	1.42
25	2.0%	15	789	691,164	37,500	1,100,000	1,828,664	40,882		190,000	36,000	4,882	1,056,396	260,296	1,357,573	1.43
26	2.0%	16	805	705,180	40,000	1,100,000	1,845,180	40,104		154,000	36,000	4,104	1,056,396	262,899	1,359,399	1.44
27	2.0%	16	821	719,196	40,000	1,100,000	1,859,196	40,326		117,000	37,000	3,326	1,056,396	265,528	1,362,250	1.45
28	2.0%	16	837	733,212	40,000	1,100,000	1,873,212	40,527		79,000	38,000	2,527	1,056,396	268,183	1,365,106	1.46
29	2.0%	17	854	748,104	42,500	1,100,000	1,890,604	40,706		40,000	39,000	1,706	1,056,396	270,865	1,367,967	1.48
30	2.0%	17	871	762,996	42,500	1,100,000	1,905,496	40,864		-	40,000	864	1,056,396	273,573	1,370,833	1.49

Total Paid in Debt Service = 845,000 336,637

5. 4) SRF APPLICATIONS –

d) Dutch John – Jesse Johnson

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN
AUTHORIZATION**

APPLICANT'S REQUEST:

The Dutch John Water System is requesting \$425,000 in financial assistance to install a backup generator on the water treatment plant, install a new pump system, and install 10,450 feet of distribution pipe. The total project cost is estimated at \$1,172,130, with the remainder of the funding coming from: State and Tribal Assistance Grant (\$192,867), Bureau of Reclamation (\$125,000), and applicant contribution (\$427,133). Dutch John scored 25.8 points on the project priority list.

STAFF COMMENTS:

Dutch John is in the process of repairing both the drinking water and waste water systems. Additional costs have nearly doubled the estimated costs for the both projects. The local MAGI is reported at \$47,672, which is 129% of the State MAGI of \$36,960. However, staff thinks that the MAGI for Dutch John is probably significantly lower than \$47,672. Dutch John is not yet incorporated, and the zip code for the area includes much of the surrounding area that is not part of Dutch John or the Dutch John Water System. Their current average monthly residential water bill is \$50.38, or 1.27% of their local reported MAGI.

Based on the projected water bill post construction, Dutch John does qualify for principle forgiveness. Under the proposed financing package, the estimated average water bill after project completion would be \$69.15, equal to 1.74 % of their local reported MAGI. Two MAGI options were explored for this funding package. An alternate evaluation was made using the MAGI used for the town of Manila, which staff thinks more indicative of what the actual MAGI for Dutch John might be.

Local MAGI	Loan Amount	Interest Rate	Term	Principle Forgiveness	% Principle Forgiveness	Monthly User Rate	% Local MAGI
\$47,672	\$215,000	3.59%	30 yrs	\$212,130	49.7%	\$69.15	1.74%
\$33,281	\$215,000	3.25%	30 yrs	\$212,130	49.7%	\$68.71	2.47%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a \$427,130 construction loan to the Dutch John Water System with a 3.59% Hardship Grant Assessment per annum, to be paid into the Hardship Grant Assessment Fund, for 30 years with \$212,130 in principal forgiveness, with the condition that they resolve all issues on their compliance report. A 1.0% loan origination fee of \$2,150 will be assessed which can be either absorbed by the authorized loan amount or paid by the water system, out of the system funds at loan closing.

APPLICANT'S LOCATION:

The Dutch John Water System is located in Daggett County, approximately 40 miles north of Vernal.

MAP OF APPLICANT'S LOCATION:



POPULATION GROWTH:

According to the Governor's Office of Planning and Budget the Dutch John Water System service area is expected to grow at an average annual rate of change of approximately 1% through 2030.

	Year	Population	ERC's
Current	2009	260	120
Projected	2030	324	162

IMPLEMENTATION SCHEDULE:

Apply to DWB for Funding:	January 2009
DWB Funding Authorization:	March 2009
Plans Submitted:	March 1, 2009
Plan Approval:	April 1, 2009
Advertise for Bids:	April 1, 2009
Bid Opening:	April 21, 2009
Loan Closing:	April 30, 2009
Begin Construction:	May 1, 2009
Complete Construction:	August 1, 2009

COST ESTIMATE:

Construction:	\$905,700
Engineering:	\$152,500
Contingency:	\$91,800
Admin/Legal/Bonding:	\$20,000
DDW Loan Origination Fee:	\$2,130
Total Capital Cost:	\$1,172,130

COST ALLOCATION:

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
Applicant Contribution	\$427,133	36.44%
Bureau of Rec.	\$125,000	10.66%
STAG	\$192,867	16.45%
DWB Loan (3.0%, 20 yrs)	\$215,000	18.34%
DWB Grant	\$212,130	18.11%
Total Amount:	\$1,172,130	100.00%

ESTIMATED ANNUAL COST OF WATER SERVICE:

Operation & Maintenance:	\$72,407
DDW Debt Service (3.59%, 30 yrs):	\$11,712
DDW 10% Coverage:	<u>\$1,171</u>
Total Annual Cost / ERU:	\$709.38
Monthly Cost / ERU:	\$69.06
Cost as % of MAGI:	1.74%

CONTACT INFORMATION:

APPLICANT:

Dutch John Water System
PO Box 219
Manila, UT 84046
435-784-3154

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Stewart Leith, County Commissioner Board Chair
PO Box 219
Manila, UT 84046
435-784-3218x133

TREASURER / RECORDER

Vicky McKee
435-784-3154

CONSULTING ENGINEER:

Christopher Clark
Uintah Engineering and Land Surveying
85 South 200 East
Vernal, UT 84078
435-781-1017

CITY ATTORNEY:

PO Box 219
Manila, UT 84046
435-784-3218x140

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Dutch John Water System

FUNDING SOURCE: Federal SRF

COUNTY: Daggett

PROJECT DESCRIPTION: Distribution Line, New Pump System, and Backup Generator

50.3 % Loan & 49.7 % P.F.

ESTIMATED POPULATION:	150	NO. OF CONNECTIONS:	108	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$50.38 *			PROJECT TOTAL:	\$1,172,130
CURRENT % OF AGI:	1.27%	FINANCIAL PTS:	46	LOAN AMOUNT:	\$215,000
ESTIMATED MEDIAN AGI:	\$47,672			PRINC. FORGIVENESS:	\$212,130
STATE AGI:	\$36,960			TOTAL REQUEST:	\$427,130
SYSTEM % OF STATE AGI:	129%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 5.72%		AFTER REPAYMENT PENALTY & POINTS 3.59%
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	5.72%		3.59%
REQUIRED DEBT SERVICE:	\$7,166.67	\$15,154.44		\$11,822.02
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$716.67	\$1,515.44		\$1,182.20
ANNUAL DEBT PER CONNECTION:	\$72.99	\$154.35		\$120.41
O & M + FUNDED DEPRECIATION:	\$72,407.00	\$72,407.00		\$72,407.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$3,978.68	\$4,378.07		\$4,211.45
NEEDED SYSTEM INCOME:	\$76,385.68	\$76,785.07		\$76,618.45
ANNUAL O&M PER CONNECTION:	\$707.27	\$710.97		\$709.43
AVG MONTHLY WATER BILL:	\$65.02	\$72.11		\$69.15
% OF ADJUSTED GROSS INCOME:	1.64%	1.82%		1.74%

* Current water bill is based on 2008 Revenue & number of connections

Dutch John Water System

PROPOSED BOND REPAYMENT SCHEDULE

50.3 % Loan & 49.7 % P.F.

PRINCIPAL	\$215,000.00	ANTICIPATED CLOSING DATE	01-May-09
INTEREST	3.59%	P&I PAYMT DUE	01-Jan-11
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$11,822.02	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2010	\$215,000.00		\$5,145.67 *	\$0.00	\$5,145.67	\$215,000.00	0
2011	\$215,000.00		\$11,718.50	\$4,000.00	\$7,718.50	\$211,000.00	1
2012	\$211,000.00		\$11,574.90	\$4,000.00	\$7,574.90	\$207,000.00	2
2013	\$207,000.00		\$11,431.30	\$4,000.00	\$7,431.30	\$203,000.00	3
2014	\$203,000.00		\$12,287.70	\$5,000.00	\$7,287.70	\$198,000.00	4
2015	\$198,000.00		\$12,108.20	\$5,000.00	\$7,108.20	\$193,000.00	5
2016	\$193,000.00		\$11,928.70	\$5,000.00	\$6,928.70	\$188,000.00	6
2017	\$188,000.00		\$11,749.20	\$5,000.00	\$6,749.20	\$183,000.00	7
2018	\$183,000.00		\$11,569.70	\$5,000.00	\$6,569.70	\$178,000.00	8
2019	\$178,000.00		\$11,390.20	\$5,000.00	\$6,390.20	\$173,000.00	9
2020	\$173,000.00		\$12,210.70	\$6,000.00	\$6,210.70	\$167,000.00	10
2021	\$167,000.00		\$11,995.30	\$6,000.00	\$5,995.30	\$161,000.00	11
2022	\$161,000.00		\$11,779.90	\$6,000.00	\$5,779.90	\$155,000.00	12
2023	\$155,000.00		\$11,564.50	\$6,000.00	\$5,564.50	\$149,000.00	13
2024	\$149,000.00		\$12,349.10	\$7,000.00	\$5,349.10	\$142,000.00	14
2025	\$142,000.00		\$12,097.80	\$7,000.00	\$5,097.80	\$135,000.00	15
2026	\$135,000.00		\$11,846.50	\$7,000.00	\$4,846.50	\$128,000.00	16
2027	\$128,000.00		\$11,595.20	\$7,000.00	\$4,595.20	\$121,000.00	17
2028	\$121,000.00		\$11,343.90	\$7,000.00	\$4,343.90	\$114,000.00	18
2029	\$114,000.00		\$12,092.60	\$8,000.00	\$4,092.60	\$106,000.00	19
2030	\$106,000.00		\$11,805.40	\$8,000.00	\$3,805.40	\$98,000.00	20
2031	\$98,000.00		\$11,518.20	\$8,000.00	\$3,518.20	\$90,000.00	21
2032	\$90,000.00		\$12,231.00	\$9,000.00	\$3,231.00	\$81,000.00	22
2033	\$81,000.00		\$11,907.90	\$9,000.00	\$2,907.90	\$72,000.00	23
2034	\$72,000.00		\$11,584.80	\$9,000.00	\$2,584.80	\$63,000.00	24
2035	\$63,000.00		\$12,261.70	\$10,000.00	\$2,261.70	\$53,000.00	25
2036	\$53,000.00		\$11,902.70	\$10,000.00	\$1,902.70	\$43,000.00	26
2037	\$43,000.00		\$11,543.70	\$10,000.00	\$1,543.70	\$33,000.00	27
2038	\$33,000.00		\$12,184.70	\$11,000.00	\$1,184.70	\$22,000.00	28
2039	\$22,000.00		\$11,789.80	\$11,000.00	\$789.80	\$11,000.00	29
2040	\$11,000.00		\$11,394.90	\$11,000.00	\$394.90	\$0.00	30
			\$241,584.97	\$117,000.00	\$124,584.97		

*Interest Only Payment

Dutch John Water System

DWB Loan Terms

Local Share (total):	\$	427,133
Other Agency Funding:	\$	317,867
DWB Grant Amount:	\$	212,130
DWB Loan Amount:	\$	215,000
DWB Loan Term:		30
DWB Loan Interest:		3.59%
DWB Loan Payment:	\$	11,822

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	1,174,280
Existing Facility O&M Expense:	\$	72,407
Proposed Facility O&M Expense:	\$	72,407
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	-

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		108
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	-
Current Monthly User Charge:	\$	50.38
Needed Average Monthly User Charge:	\$	69.15

DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	1.0%	1	108	65,288	-	65,288	-	-	215,000	-	-	-	72,407	72,407	-
1	1.0%	1	109	90,453	-	90,453	11,719	1,182	211,000	4,000	7,719	-	72,407	85,308	1.54
2	1.0%	1	110	91,282	-	91,282	11,575	1,182	207,000	4,000	7,575	-	73,131	85,888	1.57
3	1.0%	1	111	92,112	-	92,112	11,431	1,182	203,000	4,000	7,431	-	73,862	86,476	1.60
4	1.0%	1	112	92,942	-	92,942	12,288	1,182	198,000	5,000	7,288	-	74,601	88,071	1.49
5	1.0%	2	114	94,602	-	94,602	12,108	1,182	193,000	5,000	7,108	-	75,347	88,637	1.59
6	1.0%	1	115	95,432	-	95,432	11,929	1,182	188,000	5,000	6,929	-	76,100	89,211	1.62
7	1.0%	1	116	96,261	-	96,261	11,749	1,182	183,000	5,000	6,749	-	76,861	89,793	1.65
8	1.0%	1	117	97,091	-	97,091	11,570	1,182	178,000	5,000	6,570	-	77,630	90,382	1.68
9	1.0%	1	118	97,921	-	97,921	11,390	1,182	173,000	5,000	6,390	-	78,406	90,979	1.71
10	1.0%	1	119	98,751	-	98,751	12,211	1,182	167,000	6,000	6,211	-	79,190	92,583	1.60
11	1.0%	1	120	99,581	-	99,581	11,995		161,000	6,000	5,995	-	79,982	91,978	1.63
12	1.0%	2	122	101,240	-	101,240	11,780		155,000	6,000	5,780	-	80,782	92,562	1.74
13	1.0%	1	123	102,070	-	102,070	11,565		149,000	6,000	5,565	-	81,590	93,155	1.77
14	1.0%	1	124	102,900	-	102,900	12,349		142,000	7,000	5,349	-	82,406	94,755	1.66
15	1.0%	1	125	103,730	-	103,730	12,098		135,000	7,000	5,098	-	83,230	95,328	1.69
16	1.0%	2	127	105,390	-	105,390	11,847		128,000	7,000	4,847	-	84,062	95,909	1.80
17	1.0%	1	128	106,219	-	106,219	11,595		121,000	7,000	4,595	-	84,903	96,498	1.84
18	1.0%	1	129	107,049	-	107,049	11,344		114,000	7,000	4,344	-	85,752	97,096	1.88
19	1.0%	1	130	107,879	-	107,879	12,093		106,000	8,000	4,093	-	86,609	98,702	1.76
20	1.0%	2	132	109,539	-	109,539	12,211		98,000	8,000	3,805	-	87,476	99,686	1.81
21	1.0%	1	133	110,369	-	110,369	11,995		90,000	8,000	3,518	-	88,350	100,346	1.84
22	1.0%	1	134	111,199	-	111,199	11,780		81,000	9,000	3,231	-	89,234	101,014	1.86
23	1.0%	2	136	112,858	-	112,858	11,565		72,000	9,000	2,908	-	90,126	101,691	1.97
24	1.0%	1	137	113,688	-	113,688	12,349		63,000	9,000	2,585	-	91,027	103,377	1.84
25	1.0%	2	139	115,348	-	115,348	12,098		53,000	10,000	2,262	-	91,938	104,035	1.94
26	1.0%	1	140	116,178	-	116,178	11,847		43,000	10,000	1,903	-	92,857	104,704	1.97
27	1.0%	1	141	117,007	-	117,007	11,595		33,000	10,000	1,544	-	93,786	105,381	2.00
28	1.0%	2	143	118,667	-	118,667	11,344		22,000	11,000	1,185	-	94,723	106,067	2.11
29	1.0%	1	144	119,497	-	119,497	12,093		11,000	11,000	790	-	95,671	107,763	1.97
30	1.0%	2	146	121,157	-	121,157	11,805		-	11,000	395	-	96,627	108,433	2.08
Total Paid in Debt Service =										215,000	139,759				

05001 Dutch John Water System
Compliance Report
February 2, 2009

Administration:

No issues

Operator Certification:

No issues

Bacteriological Information:

No issues

Chemical Monitoring:

Does not report consistently on a monthly or quarterly basis, system is “not approved”

Lead/Copper:

No issues

Consumer Confidence Report

No issues

Physical Facilities:

No issues

Drinking Water Source Protection:

No issues

Plan Review:

Facility plan does not have plan approval

5. 4) SRF Applications

- e) Hinckley Town – Deauthorization
– Rich Peterson

**DRINKING WATER BOARD
BOARD PACKET FOR DE-AUTHORIZATION**

STAFF COMMENTS:

On November 12, 2008, the Drinking Water Board (“The Board”) authorized a loan of \$85,000 at 2.56% interest to Hinckley Town for construction of drinking water system improvements that had been constructed in excess of the funding received from CIB due to a bookkeeping error by their consultant. Hinckley Town has notified us that the water system has decided to decline the loan offer. The following reason was given:

“...Hinckley Town asked for financial assistance in the form of a **grant** to help restore the system to normal. The Drinking Water Board offered a **loan** for this purpose. However, Hinckley Town declines the offer of a loan from the Drinking Water Board at this time as they have come to an agreement with Sunrise Engineering...”

FINANCIAL ASSISTANCE COMMITTEE RECOMENDATION:

The Financial Assistance Committee recommend that the Board de-authorize the loan of \$85,000 to Hinckley Town.

5. 4) SRF APPLICATIONS

- f) Deseret Oasis SSD, Hinckley Town, Delta
City - Rich Peterson

DRINKING WATER BOARD
BOARD PACKET FOR PLANNING LOAN FORGIVENESS

APPLICANT'S REQUEST:

Members of the now dissolved West Millard Water Agency, Deseret-Oasis Special Service District, Hinckley Town and Delta City, have requested relief from a \$60,000 planning loan.

STAFF COMMENTS:

The purpose of the loan authorized in 2002 was to assist the West Millard Water Agency (WMWA) to conduct a study to determine the course of action needed to meet the mandate of the federal government's Environmental Protection Agency providing that water sources for culinary use shall contain no more than 10 ppb of arsenic as a measure to protect public health. The outcome of the study was that it would be most cost effective for each entity to make modifications to their own water systems to reach compliance with the new rule, and therefore the WMWA was dissolved given its purpose was served.

Instead of rolling the debt into loans with the Drinking Water Board, the construction funds were borrowed from the Utah Community Impact Fund Board (CIB). Between the three former-member entities approximately \$6,000,000 has been expended to reach compliance; approximately five million in long term loans and one million in grants from the CIB. State statute does not allow CIB to assume existing debt, so the \$60,000 was not rolled into their financial assistance.

Financial information for the Town of Hinckley was available for the Committee's review. Hinckley Town has an MAGI of \$34,948, 95% of state MAGI. The Town's current water bill is \$49.90 per month, 1.71% of its MAGI. If the planning loan is split equally three ways, Hinckley Town's share of the debt would be \$20,000 or \$4,000 per year for 5 years. If spread over 5 years, the Town's water bill would increase to \$51.24 per month, 1.76% of its MAGI. However, now that Hinckley has to pay off their entire share of the loan now, the impact would be greater.

Several years ago, the Board forgave all "planning advances" because at the time, our rules didn't have criteria for planning loans vs planning grants. So the board forgave everyone who previously had a planning advance except West Millard and one other because their planning loans were so high (over \$100k). The others were less than \$40k. The intent of these planning advances was that they were supposed to be rolled into the construction loan. But when the applicant doesn't come back to the board (and goes to another agency, like CIB), then the question arises how are they supposed to repay a

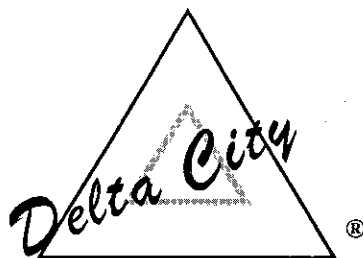
March 5, 2009

Page 2

planning loan in only 5 years. Moreover, the three communities would have to determine how to split the \$60,000.

FINANCIAL ASSISTANCE COMMITTEE RECOMENDATION:

The Drinking Water Board authorize a \$60,000 planning loan forgiveness to the Members of the now dissolved West Millard Water Agency, Deseret-Oasis Special Service District, Hinckley Town and Delta City.



DELTA CITY
76 North 200 West
Delta, UT 84624
(435) 864-2759 FAX (435) 864-4313
www.delta.utah.gov

RECEIVED
JAN 21 2009
Drinking Water

January 12, 2009

Anne Erickson, Ed.D.
Chairman
State of Utah
Drinking Water Board
Utah Department of Environmental Quality
150 N 1950 W
Salt Lake City UT 84116-3085

RE: Loan Number 3S054
Borrower ID Code 1673

Dear Ms. Erickson:

Delta City has received a payment request from the Utah State Division of Finance in the amount of \$60,000 to pay off the above-referenced loan.

The West Millard Water Agency (WMWA), the entity lent the funds originally, is now dissolved and was originally comprised of Delta City Corporation, Deseret-Oasis Special Service District (DOSSD) and Hinckley Town Incorporated.

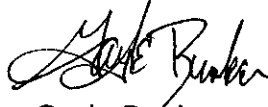

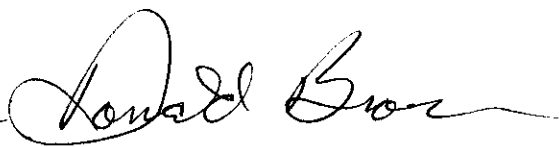
This loan purpose was to assist the WMWA to conduct a study to determine the course of action needed to meet the unfunded mandate of the federal government's Environmental Protection Agency providing that water sources for culinary use shall contain no more than 10 ppb of arsenic as a measure to protect public health. The outcome of the study was that it would be most cost effective for each entity to make modifications to their own water systems to reach compliance with the new rule, and therefore the WMWA agency was dissolved given its purpose was served.

The lent monies were extremely beneficial in aiding the noted entities to determine how each would proceed in making modifications to their water systems bringing them into compliance with the new EPA regulation. Between the three former-member entities approximately \$6,000,000 has been expended to reach compliance; approximately five-

million in long-term loans and one-million in grants from the Utah Permanent Community Impact Fund Board.

In light of each of the entities having significantly increased their user rates to meet our new long-term debt, a great impact has already been put upon all of the effected consumers. Considering having already burdened our end user with dramatic increases in their water rates to service the debt, we respectfully seek relief from paying back the \$60,000 loan by further impacting our water system customers. Each of the former WMWA members expresses its appreciation to the Drinking Water Board for its having aided us in addressing the mandate imposed upon us and allowing for us each to reach compliance.

Sincerely,

		
Gayle Bunker	Dallas Anderson	Donald Brown
Delta City Mayor	DOSSD Chairman	Hinckley Town Mayor

Enclosures

UTAH STATE DIVISION OF FINANCE
2110 STATE OFFICE BUILDING
PO BOX 141031
SALT LAKE CITY UT 84114-1031
(801) 538-1683

Page: 1 Period Ending: 12/31/08

Loan Number.....: 3S054

DDW2

Address: WEST MILLARD WATER A

Borrower ID Code: 1673

WEST MILLARD WATER AGENCY
NEIL FORSTER
76 NORTH 200 WEST
DELTA UT 84624

* Please Remit 60,000.00 *

TERMS: Payment is Due 01/01/09

***** BALANCE AS OF 12/02/08 *****

Current Loan Amount..	60,000.00	Borrower Funds Bal...	0.00
Original Loan Amount.	60,000.00	Interest Reserve Bal.	0.00
Interest Margin/Rate.	0.0000	Net Prin Undisbursed.	0.00
Billing Rate.....	0.0000	Total LIP Undisbursed	0.00
Interest Paid YTD....	0.00	LIP Disbursed to Date	60,000.00

***** Activity this period ***** Receivables this period *****

Prev. Principal Bal..	60,000.00	Prev Balance Due.....	0.00
Loan Funds Disbursed.	0.00	Pymts To Interest....	0.00
Payments Received....	0.00	Pymts To Princ Due...	0.00
Rate Option Transfers	0.00	Pymts To Late Charge.	0.00
Current Balance.....	60,000.00	Pymts To Escrows.....	0.00
		Pymts To Fees.....	0.00
Prev. Borr Fund Bal..	0.00	Past Due Amount.....	0.00
Current Disbursements	0.00		
Adjustment Journals..	0.00	Interest Bill Adj....	0.00
Current Balance:.....	0.00	Current Interest Due.	0.00
		Interest Estimate....	0.00
Prev. Defer Int. Bal.	0.00	Interest Adjustments.	0.00
Applied to Principal.	0.00	Principal Due.....	60,000.00
Deferred this period.	0.00	Late Charges Due.....	0.00
End Deferred Int Bal.	0.00	Escrows Due.....	0.00
Collect Rate.....	0.0000	Fees Due.....	0.00

Branch: DDW2
Loan...: 3S054

*Statement Amount..... 60,000.00 *
*Interest To Be Applied From Reserve 0.00 *
*Amount to be Remitted..... 60,000.00 *

UTAH STATE DIVISION OF FINANCE
2110 STATE OFFICE BUILDING
PO BOX 141031
SALT LAKE CITY UT 84114-1031
(801) 538-1683

Page: 2 Period Ending: 12/31/08

Loan Number.....: 3S054 DDW2

Address: WEST MILLARD WATER A

LOAN 3S054	LOT:	BLOCK:	ADDRESS: WEST MILLARD WATER AGENCY			
<u>DATE</u>	<u>DESCRIPTION</u>	<u>BUDGET</u>	<u>CHECK</u>	<u>TRANS AMT.</u>	<u>LOAN BAL.</u>	<u>REC. BAL.</u>
12/02	BALANCE FORWARD	RATE	00.0000		60,000.00	0.00
12/02	ACCRUAL FOR 12/31/08 INTEREST					0.00
12/02	ACCRUAL FOR 12/31/08 MATURITY			60,000.00		60,000.00
12/02	RESULTING BALANCE	RATE	00.0000			